5833. By Mr. CAREW: Petition of a mass meeting of citizens of the city of New York, favoring the maintaining of the Republic of Ireland; to the Committee on Foreign Affairs.

5834. By Mr. CHALMERS: Petition of Toledo Circle Ladies G. A. R., urging favorable action on Morgan-Bursum pension bill; to the Committee on Invalid Pensions.

5835. By Mr. HAWLEY: Petition of sundry citizens of the State of Oregon, protesting against the passage of House bill 9753; to the Committee on the District of Columbia.

5836. By Mr. KISSEL: Petition of National Cloak & Suit Co., of New York City, N. Y., relating to the reappointment of William P. G. Harding to the Federal Reserve Board; to the Committee on Banking and Currency.

5837. Also, petition of New York Produce Exchange, New York City, N. Y., protesting against the passage of Stevenson bill; to the Committee on Agriculture.

5838. By Mr. LINEBERGER: Petition from 270 citizens of South Pasadena, Eagle Rock, San Bernardino, and Los Angeles, Calif., asking that protection and help may be extended to make Armenia a self-supporting and self-protecting nation; to the Committee on Foreign Affairs.

5839. Also, petition of citizens of St. Paul, Minn., favoring the Towner-Sterling bill (H. R. 7); to the Committee on Education.

5840. Also, petition of Los Angeles Presbytery of the United Presbyterian Church of Long Beach, Calif., indorsing House Joint Resolution 131, prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5841. Petition of Los Angeles Presbytery of the United Presbyterian churches at Long Beach, Calif., indorsing Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5842. Also, petition of Los Angeles Presbytery of the United Presbyterian Church of Long Beach, Calif., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5843. By Mr. YOUNG: Petition of 27 widows and dependents of Civil War veterans, of Velva, N. Dak., urging support of the Bursum-Morgan bill; to the Committee on Invalid Pensions.

SENATE.

THURSDAY, *June 1, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. ROBINSON. Mr. President, I think we ought to have a quorum.

Mr. STERLING. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	New	Smoot
Borah	Hale	Newberry	Spencer
Brandegee	Harris	Norbeck	Sterling
Calder	Johnson	Oddie	Sutherland
Capper	Jones, N. Mex.	Page	Townsend
Caraway	Jones, Wash.	Pepper	Underwood
Culberson	Kellogg	Pittman	Wadsworth
Curtis	La Follette	Poindexter	Walsh, Mass.
Dial	Lenroot	Pomerene	Walsh, Mont.
du Pont	Lodge	Ransdell	Watson, Ga.
Edge	McCumber	Rawson	Watson, Ind.
Frelinghuysen	McNary	Robinson	Willis
Gerry	Myers	Sheppard	
Glass	Nelson	Simmons	

Mr. RANSDELL. I was requested to announce that the several Senators, whose names I shall state, are detained at a hearing before the Committee on Agriculture and Forestry: The Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], the Senator from North Dakota [Mr. LADD], the Senator from Illinois [Mr. MCKINLEY], the Senator from South Carolina [Mr. SMITH], the Senator from Wyoming [Mr. KENDRICK], and the Senator from Mississippi [Mr. HARRISON].

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present.

INVESTMENT AND PROFIT IN SOFT COAL INDUSTRY (S. DOC. 207).

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a preliminary report of the commission on investment and profit in soft coal mining covering the period 1916 to 1921, inclusive, which was referred to the Committee on Education and Labor and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. CAPPER presented a resolution adopted by the congregation of the Chelsea Congressional Church, at Kansas City, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. McLEAN presented a memorial of the Fairfield County Farm Bureau, of Danbury, Conn., remonstrating against the appropriation of public funds for the purpose of free seed distribution, which was referred to the Committee on Agriculture and Forestry.

He also presented telegrams in the nature of petitions from Anthony Safranik, chairman of employees of Frank Parizek, manufacturer of pearl buttons, of West Willington; Charles H. Ruha, chairman of employees of B. Schwanda & Sons, of Stafford Springs; Prichal Bros., manufacturers of ocean pearl shell, of Higganum; and Havlin & Pokorney, manufacturers of ocean pearl shells, of Higganum; all in the State of Connecticut, praying for the prompt passage of the pending tariff bill and stating they do not understand the reason for delay in the Senate, which were referred to the Committee on Finance.

He also presented letters in the nature of petitions from Rev. Richard D. Hatch, rector, and the congregation of Trinity Church, of Southport; Rev. Reginald R. Parker, of Hartford; Rev. Robert C. Whitehead, Stratford Congregational Church, of Stratford; Rev. W. S. Woolworth, of Chestnut Hill; and Rev. Herbert L. Wilber, of Jewett City; all in the State of Connecticut, praying that relief be granted the suffering peoples of Armenia, which were referred to the Committee on Foreign Relations.

Mr. TOWNSEND presented petitions numerously signed by sundry citizens in the State of Michigan, praying for the imposition in the pending tariff bill of only a moderate duty on kid gloves, which were referred to the Committee on Finance.

He also presented petitions of sundry citizens in the State of Michigan, praying for the imposition in the pending tariff bill of an adequate protective duty on agricultural products, particularly grains, cattle, sheep, hogs, and sugar, which were referred to the Committee on Finance.

He also presented petitions of sundry citizens of Memphis, Armada, Mount Clemens, Detroit, Swartz Creek, Clayton Township, and Bay City, all in the State of Michigan, praying for inclusion in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, and also adequate protection on farm products, which were referred to the Committee on Finance.

Mr. LADD presented a resolution adopted by the eleventh annual convention, North Dakota State Federation of Labor, at Bismarck, N. Dak., favoring payment of the so-called soldiers' bonus solely from funds derived from war and excess-profits taxes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the pastors of the Episcopal, the Congregational, the First Lutheran, the Trinity Lutheran, and the Methodist Episcopal Churches of Williston, N. Dak., favoring the granting of relief to the suffering peoples of Armenia, which was referred to the Committee on Foreign Relations.

REPORT OF THE COMMITTEE ON BANKING AND CURRENCY.

Mr. McLEAN, from the Committee on Banking and Currency to which was referred the bill (S. 3633) to authorize the coinage of a 50-cent piece in commemoration of the one hundredth anniversary of the birth of the late President Rutherford Birchard Hayes at Delaware, in the State of Ohio, reported it with an amendment.

JOHN G. SESSIONS.

Mr. ROBINSON, from the Committee on Claims, to which was referred the bill (S. 3157) for the relief of John G. Sessions, reported it with an amendment and submitted a report (No. 730) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 3665) providing additional funds to continue in effect the act providing for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States; to the Committee on Appropriations.

By Mr. PEPPER:

A bill (S. 3666) granting a pension to Matilda A. Swift; to the Committee on Pensions.

A bill (S. 3667) for the relief of the estate of David B. Landis, deceased, and the estate of Jacob F. Sheaffer, deceased; to the Committee on Claims.

By Mr. WADSWORTH:

A bill (S. 3668) for the relief of Gertrude Lustig; to the Committee on Claims.

By Mr. EDGE:

A bill (S. 3669) for the advancement of certain retired officers of the United States Army; to the Committee on Military Affairs.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. I ask unanimous consent to present an amendment to House bill 10871, being the War Department appropriation bill. I ask to have the amendment printed and lie on the table.

Mr. UNDERWOOD. I should like to ask the Senator from Nebraska to what his amendment relates?

Mr. NORRIS. It relates to the Muscle Shoals proposition.

Mr. UNDERWOOD. For curiosity I wanted to know; that was all.

Mr. NORRIS. I ought to state that in offering the amendment I do so under instructions from and by the authority of the Committee on Agriculture and Forestry. I think that ought to be shown in the RECORD.

The amendment was ordered to be printed and to lie on the table, as follows:

On page 132, after line 5, insert the following:

MUSCLE SHOALS.

For the continuation of the work on Dam No. 2 on the Tennessee River at Muscle Shoals, Ala., to be immediately available, $7,500,000.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. ROBINSON submitted an amendment providing that the jurisdiction of the Mississippi River Commission be extended from St. Paul to the head of the passes, and to the tributaries and outlets of the Mississippi River in so far as they are affected by the flood waters of the Mississippi River, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

RECLASSIFICATION OF GOVERNMENT EMPLOYEES.

Mr. STERLING. Mr. President, I hope to be allowed to proceed without interruption in the few remarks that I have to make. I desire to speak of certain phases of the reclassification problem. My remarks are made necessary, I think, by reason of certain articles which have appeared of late in the press.

In the Washington Star of May 29 appeared an article from which I read first the headlines:

Executive order on reclassifying expected July 1. President considers making it effective for 60,000 United States employees. All details completed. Appropriation awaited. Many becoming impatient over further delay as bonus issue comes up again.

I wish to say that the contents of the article are not quite so portentous as the headlines would lead us to believe, but they are bad enough. I desire to call attention to just a few quotations from the article:

President Harding is considering putting reclassification of the nearly 60,000 Federal employees in the District of Columbia into effect July 1 by Executive order. The reclassification schedules, necessary to fix up the pay rolls promptly on that date, have been actually prepared by the United States Bureau of Efficiency, in cooperation with the administrative officers in each of the Government establishments, in compliance with an Executive order of President Harding on October 24, 1921.

All that is necessary to establish the new salaries on July 1 is for Congress to appropriate the money necessary to pay them.

Then again:

Because the tariff bill has been occupying the center of the stage, and probably will continue to do so for several months, many Senators who are opposed to passing another bonus bill, and still more who are opposed to the Sterling-Lehlbach bill, are impatient over further delay, since it would junk all the work that has been done by the Bureau of Efficiency and would require the study to be made all over again by the Civil Service Commission. This would entail an additional appropriation for the employment of "experts" and take a year's time for another "investigation."

The Sterling-Lehlbach bill, carrying schedules for reclassification of the Government employees, passed the House six months ago and has been hanging fire in the Senate while debate drags on over the tariff.

Further on in the article it is said:

The real friends of the Government employees in both the House and the Senate are impatient over the proposed delay, even more than over the new appropriation that would be required. Because they believe that the short cut is to put through the reclassification schedules worked out by the Bureau of Efficiency and the administrative officers, pressure is being brought to bear on President Harding to issue an Executive order under which the army of Government workers would start the new fiscal year with a new statutory salary schedule carrying substantial increases.

Again the article states that—

The reclassification schedule promulgated by the Bureau of Efficiency under President Harding's Executive order of October 24, 1921, which is the same as the schedule in the bill introduced in the House and Senate, respectively, by Representative WILL R. WOOD of Indiana and Senator REED SMOOT, of Utah, can be put into effect July 1 without any further investigation or any further expense.

So, Mr. President, it would appear that under guise of an efficiency rating system the Bureau of Efficiency is to-day, at great expense to the Government, putting into the Federal departments a classification of positions that has not only not received the approval of Congress but in so far as it has been considered by Congress has been rejected. In the form of S. 1079 and H. R. 2021 it was before the Committees on Civil Service of the present Congress. These committees held hearings on this proposal and others that had been worked out and reached the conclusion that the Bureau of Efficiency plan as embodied in the two bills referred to was the inferior. The House committee favorably reported a bill drafted along radically different lines. The Representative from Indiana [Mr. WOOD], the House sponsor for the classification scheme of the Bureau of Efficiency, offered on the floor of the House to have that bureau's scheme substituted for the committee's bill as an amendment. The amendment was overwhelmingly rejected and House bill 8928, embodying the other plan, was passed.

The Senate Committee on Civil Service, to whom the House bill was referred, reported unanimously in favor of its passage with amendments. It went to the Appropriations Committee of the Senate under an agreement which limited the Appropriations Committee to a consideration only of the salary rates proposed. It has not yet been reported by that committee, although the bill was referred to the committee, Mr. President, when I reported it on behalf of the Committee on Civil Service to the Senate on February 6 last.

To go back somewhat further in the history of these measures and of the activities of the Bureau of Efficiency, this bureau on March 3, 1917, was directed by Congress in the legislative appropriation act to investigate the classification, salary, and efficiency of the employees of the departments and independent establishments and report fully or partially to Congress by January 1, 1918, as to needed equalizations or reclassification. It was further instructed to ascertain the rates of pay of various States and municipal governments and commercial institutions in different parts of the United States and to submit to Congress at its next regular session a report showing how such rates compare with the rates of pay of employees of the Federal Government performing similar services.

The Bureau of Efficiency became so busy demonstrating how the Bureau of War Risk Insurance should not be run and in other of its war-time activities that it failed to carry out the mandates of Congress regarding classification and salary standardization. On March 1, 1919, Congress established a Congressional Joint Commission on Reclassification of Salaries to take up this entire subject.

The joint commission started with the idea that the United States Bureau of Efficiency would be of great assistance, a laboratory, as it were, for the detailed work involved, and that its chief, Mr. Herbert D. Brown, would be its technical adviser, but it was not so to be; trouble arose. According to the view of the Bureau of Efficiency, the chief difficulty was that the reclassification commission wanted to give the employees an opportunity to prepare a statement of their duties to be considered in classifying the positions. The commission, it seems, wanted to work on the basis of a statement of facts agreed upon by the employee and his superior. The Bureau of Efficiency did not consider it necessary to have the employees in on the matter at all; it could not see why the employee should have his day in court before the verdict was rendered.

The Bureau of Efficiency has apparently not given publicity to another phase of the differences. The commission had two members literally and six figuratively from Missouri; they had to be shown; and it did not propose to do just as Mr. Brown said without inquiry and investigation. It summoned for conference and advice specialists in this field from outside the service, and it discovered, through its own inquiries and from information received from this outside help, that Mr. Brown was proposing not a modern, up-to-date classification, such as is being made the basis of modern personnel administration, both in public and private employment, but a halfway salary classification such as had been proposed many years ago by the old Keep Commission, made up of Government administrators. Such a classification well administered would have been perhaps an improvement over existing conditions, but it would not have furnished the basis for an effective reform in general personnel administration.

Some inspection, I am informed, was made of the material the Bureau of Efficiency had collected regarding the salaries paid outside the service; but, to make a long story short, the commission decided that it would not get its expert advice from Mr. Herbert D. Brown. He and the commission parted company. Thus Mr. Brown's scheme has been three times con-

sidered and rejected; once by a congressional joint commission, again by the two Committees on Civil Service of the present Congress, and then by a most decisive vote on the floor of the House.

Having been excused as not the best-qualified man for technical leadership in reclassification and salary standardization, Mr. Brown began a campaign against the work of the congressional commission. Examination of the printed reports of his testimony before the Appropriations Committees discloses that in this campaign, intentionally or unintentionally, he grossly misrepresented the facts. He made several statements which any fair-minded investigator who looks into the matter will have to admit are absolutely incorrect. In his public addresses he has again and again reiterated these incorrect statements; and no one can tell how far he and his assistants have gone in their private attacks on the work of the congressional commission and the bills that grew out of it.

Again and again he or his assistants have sought to create the impression that the congressional commission classified employees on the basis of their titles and not on the basis of the actual duties of their positions. Nothing could be further from the fact. In all the literature regarding the Federal civil service with which I am familiar there is no clearer exposition of the worthlessness of existing titles of positions than is contained in the report of the congressional commission. It is a conclusive statement. That commission never for one moment gave any consideration to an existing title in determining the proper classification of a position. As it reiterates time and time again, so that any fair-minded reader of ordinary intelligence can grasp the point, it classified positions on the basis of the duties and responsibilities involved and the qualifications that an employee would have to possess in order satisfactorily to enter upon the performance of those duties. It classified the position and not the incumbent. What qualifications the incumbent may have had that were not required for the job had nothing to do with the classification of the position he occupied; my understanding is that the congressional commission did not even inquire into these purely personal qualifications. When a member of the House Appropriations Committee got the erroneous impression that they did so inquire and so classify and asked the representative of the Bureau of Efficiency if his impression was not correct, it was the duty of the Bureau of Efficiency to correct that false impression and not to confirm it, as was done.

The truth is that the classification proposed by the congressional commission, as provided for in H. R. 8928, being the bill now before the Appropriations Committee, is based on the actual duties and responsibilities of and the qualifications for the positions. The Bureau of Efficiency scheme is a classification on the basis of the Bureau of Efficiency's idea of the value of the duties and not on the duties themselves.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. STERLING. I announced at the beginning, if the Senator will excuse me, that I should like to proceed without interruption.

One more word regarding titles. The congressional commission realized that short titles are necessary, so that all concerned with positions can have a standard terminology in speaking of them. It wanted employees, administrators, Civil Service Commissioners, Budget authorities, Appropriations Committees, and Congress, all to have an agreed and standardized terminology, so that we may all use a common language. It proposed to substitute good titles for the existing bad titles. It appears that the Bureau of Efficiency does not want titles. It gives the impression that it prefers to work in the dark and not to let the world know what it is doing. Possibly it objects to titles because titles when properly applied let in the light.

Mr. Brown testified that in so far as he knew positions had not been allocated to classes under the general plan that has received the indorsement of the committees and the House and that no reliable estimates had been made regarding cost. Had he read intelligently and carefully the report of the congressional commission and familiarized himself with the procedure being followed by it he would have been better informed. The congressional commission tentatively allocated to classes practically all the positions in the District of Columbia which came under its jurisdiction, and it compiled elaborate statistical tables giving full information on the subject. Its printed report contained its estimates of cost on a percentage basis. The detailed tables it prepared were submitted to the committees but were not printed.

Subsequently new estimates were based on the figures compiled by the congressional commission as revisions were made in the bill, and these figures were checked by reports submitted by the department heads. No attempt has been made to have these estimates final and precise to the last figure. It has been assumed that Congress should act before the final steps are taken and that Congress should indicate its wishes respecting details. I am of the opinion that the whole matter of fixing Government salaries and dealing fairly with the Government and with the employees should not be delegated to Mr. Herbert D. Brown as Government autocrat.

A favorite assertion of Mr. Brown is that a dictionary classification, as he has been pleased facetiously to call it, has failed wherever it has been tried. The congressional commission, when it investigated the matter, did not find this to be the fact. It learned that progressive large employers, both public and private, were in increasing numbers adopting detailed duties classifications as the corner stone of good personnel administration.

At the joint hearings of the two Committees on the Civil Service this point was gone into, and witnesses familiar with the practice in other jurisdictions testified that such classifications were increasing in number. Such a classification is now recognized generally as a first step in modernizing employment procedure and general personnel administration. Curiously, Mr. Brown's own report on the Civil Service Commission abounds in evidence to show the imperative need of just such a classification as the congressional commission proposed. The improvements that have been made by the Civil Service Commission in the last few months are due largely to the publication of the classification made by the congressional commission and are mere forerunners of what we may expect when a good duties classification with uniform titles becomes operative in the service, provided Mr. Herbert D. Brown does not exercise his veto power and insist on his own classification whatever may be the wishes of Congress.

My information is that after Mr. Brown had been eliminated from the work of the congressional commission he desisted for a time from prosecuting his own scheme of classification. Possibly he had some doubts whether the appointment of a congressional commission to do the work did not by necessary implication repeal the authority given to him by earlier legislation, especially as he had failed to comply with the time elements of that authorization. Later, according to his statement before the Appropriations Committee of the House, a member of that committee authorized him to go ahead, and he began, directly and indirectly, spending thousands of dollars, his own organization's time and the time of the department officials and employees in furthering his own scheme, which would be run by the Bureau of Efficiency and thus give it an excuse for being and keep it from absorption into the Budget Bureau.

To avoid a too obvious duplication of the ground covered by the congressional commission and to get the greatest possible sanction of law for his expenditures, he has worked under the guise of establishing a system of efficiency ratings. His authority for that is in a rider on an appropriation bill. His whole bureau was brought into existence on a rider to an appropriation bill, it has been nurtured through riders, and it has no basic fundamental law covering its existence that has been carefully considered by the Congress. Mr. Good, when chairman of the Appropriations Committee of the House, after having brought about a reduction in Mr. Brown's salary from $10,000 to $7,500, his salary prior to the increase to $10,000 having been $6,000, gave it as his parting advice to the House that the Bureau of Efficiency should be merged into the Budget Bureau, thereby saving a good deal of money and wasted energy. The Congress has never had proper opportunity to consider this proposal, and if Mr. Brown can prevent it the Congress probably never will.

In passing, I should perhaps say that Mr. Good at one time was a supporter of the bureau on the floor of the House, but somehow his affections were alienated. He seemed to think that Mr. Brown had misrepresented to the Appropriations Committee the facts regarding his increase in salary. The House under Mr. Good's leadership was very insistent that the salary of the Chief of the Bureau of Efficiency should be definitely fixed, because at the rate it was rising it was threatening soon to pass out of sight. A little of the inflation was let out by Congress, and the salary was anchored at $7,500.

To come now to his efficiency scheme, as I interpret it, it embraces classification, allocation, salary standardization, and efficiency ratings—all of them. Under a rider to an appropriation act he is planning to perform administratively what some of us have had the temerity to believe were functions that properly belonged to Congress.

His classification scheme on its face, without investigation, seems like simplicity itself. He establishes 18 grades and at-

taches to each grade a salary range. Under each grade he gives a few illustrations of positions he regards as typical of that grade. When he gets an idea of the duties of a position, he puts the position into a grade. If it exactly fits the illustration, well and good. If it does not, he classifies it by analogy. He seeks the agreement of the administration, and if he gets it he is satisfied. There are those who say that he sometimes asserts he has the agreement of the administration, when in fact he has not, and from his record that does not seem entirely impossible.

Classification by analogy presents wonderful opportunities to a skillful manipulator. I understand that the accepted word is "adjustment." When things become uncomfortable in any respect, "analogy" permits "adjustment." Some critics seem to be of the opinion that "adjustments" are already more frequent in cases of upper administrative officers in a position to make vigorous objections and cause trouble than they are among the rank and file in the routine clerkships and labor positions. Inspection of the salary scale and of the administrative positions of the proposal, too, has led some people to an opinion that there has been a deliberate attempt to secure the support of upper administrative officers at the expense of the routine workers. Now, I do not allege that this is the fact, but I assert that it is entirely possible under a scheme that establishes no fundamental definition of grades and which permits classification by analogy. I would go further and say that with human nature as it is and the Government service what it is, a one-man classification by analogy is likely to result in "adjustments." If this system goes into effect it is easy to predict for the word "adjustment" a future in the public service which will be second only to that enjoyed by "influence," and there will then be the two partners, "influence" and "adjustment." Consider the "influence" that could be exerted for "adjustment" by the persons whose backing should enable the one-man Bureau of Efficiency to put through such a device. A bipartisan commission of three, with a reputation for judicial procedure and integrity, would not ordinarily be intrusted with such power, but would be bound by fundamental controlling definitions. To permit such a scheme as the Bureau of Efficiency proposes to put in practice would be indefensible, regardless of the personality and reputation of the man at the head of the bureau that is to administer it.

The salary scale in the Bureau of Efficiency proposal is its own handiwork. The Reclassification Commission proposed to show the Congress what the salary would be for each of the more than 1,700 classes of positions it found in the service and to get congressional approval for them. The Bureau of Efficiency proposes to go to the other extreme, and not to bother Congress about the salaries at all. It will fix the whole matter up quietly, without any fuss and feathers by "adjustments" with administrative officers; and all this, Mr. President, plainly appears from the quotation I made from the article in the Washington Star at the beginning of my remarks. Why let Congress as a whole pass on such an item, all-important though it be, when entire authority over the whole matter can be vested in the United States Bureau of Efficiency, at least so long as it is continued under its present head?

The salary scale on its face appears reasonably generous to upper administrative officers, but somewhat niggardly in dealing with the rank and file. We say "on its face," because the Brown efficiency rating system has a joker in it whereby for the rank and file of employees the upper salary rates in his salary scale are for bait rather than for realization.

Under his efficiency scheme an employee's salary rate within the range prescribed for the grade to which his position is allocated will depend on his efficiency rating; but, Mr. President, there is a distinction. It will not necessarily depend on his efficiency. It is here that the extreme ingenuity of the Chief of the United States Bureau of Efficiency becomes apparent. He has devised a three-cup game of "now you see it and now you don't," whereby while we are all talking about rewarding the efficient Government employee according to his efficiency Mr. Brown gets our eye on an efficiency rating and ends up with the average employee of the lower ranks at or below the middle of his grade, regardless of the efficiency of the average employee. We are mesmerized for a moment in a sort of haze of quantity, quality, percentages, and standards; but we come to at the end when on further study we are aroused to the fact that Mr. Brown has safely kept the average salary from rising, regardless of the efficiency of the employees.

The trick is done by having the standard for measuring the quantity of work done by employees, working in groups of five or more of one grade under a single supervisor, made out of rubber or any other sufficiently elastic material so that it will stretch. If the employees begin to get so efficient that there is some danger of the average salary for the group getting above the middle rate for the average, all you have to do is to stretch the standard and they are safely back where they started. Now and then one employee peculiarly efficient may be permitted to reach the upper rates, but it will be at the expense of others in the group, who will fall a corresponding distance below the average.

Figures, percentages, averages in the hands of so experienced an efficiency expert as the Chief of the United States Bureau of Efficiency furnish, of course, the necessary elastic medium for a standard. In his book of rules for the system, circular No. 4—a pamphlet which was referred to the Committee on Civil Service for consideration along with Executive orders and legislation relating to the Bureau of Efficiency and for consideration also in connection with reclassification but a few days ago—in his book of rules for the system, in paragraph 30, he provides for an appropriate test to determine that the standard has been stretched to just the proper length so that the average quantity rating for the group will not exceed 100 per cent. The quality rating can not exceed 100 per cent, and therefore the product of the two can not give an efficiency rating over a hundred, and a rating of 100 puts the employees at the middle salary for the grade.

Mr. President, some of us seem to belong to a school of thought or of ethics very different from the one of which Mr. Brown is an exponent. To us a standard is something fixed and uniform and not something which will vary from department to department, from bureau to bureau, from office to office, and from time to time. To us the ideals of equal pay for equal work, payment on the basis of efficiency, and justice alike to the Government and to the employees are something more than mere phrases.

Mr. President, I am unable to sit quietly by while a scheme is established without consulting Congress which provides for classification by analogy, allocation by adjustment, and efficiency measurement by a variable instead of a standard. As chairman of the Civil Service Committee, a committee that has worked faithfully in the consideration of the various reclassification measures that have been referred to it, that has been in close touch with the Civil Service Committee of the House and its able chairman, Mr. LEHLBACH; that has given attention to the work and the report of the Joint Reclassification Commission; that has consulted well-recognized experts in reclassification and personnel problems, and having no other interest than the good of the service at heart, and feeling, I think, the full weight of my responsibility in this most important matter, I most earnestly protest against these or any further attempts upon the part of the head of the Bureau of Efficiency to carry out a scheme which, I believe, is bound to prove unsatisfactory to the Government, the heads of departments, and unjust to employees—and, so proving, it will be detrimental to the public welfare.

Mr. President, I send to the desk a resolution which I ask to have read, and then I shall ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 297), as follows:

Resolved, That the Senate Committee on Civil Service be, and it is hereby, authorized and directed to investigate and report upon the activities, methods, and procedure of the United States Bureau of Efficiency in devising and installing a system or systems of classification of positions, salary standardization, and efficiency rating in the Federal service, and upon the activities of said bureau, its chief, or any of his assistants, in opposing pending legislation on these subjects (H. R. 8928), which has passed the House of Representatives, has been favorably reported with amendments by the Senate Committee on Civil Service, and has been referred to the Committee on Appropriations.

Mr. STERLING. I ask unanimous consent for the immediate consideration of the resolution just read.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I object to its present consideration.

Mr. STERLING. Then, I ask that it may lie on the table.

The VICE PRESIDENT. The resolution will go over, under the rule.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask that we return to page 39, paragraph 217, for the purpose of acting upon some committee amendments.

Mr. CALDER. Mr. President, will the Senator from North Dakota yield so that I may call up House bill 9527, providing for the extension of bank charters?

Mr. McCUMBER. Let us dispose of this paragraph first, if the Senator will allow me to proceed.

Mr. CALDER. Very well.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. In paragraph 217, on page 39, line 11, the committee proposes to strike out "28" and insert in lieu thereof "50," so as to make the proviso read:

Provided, That none of the above articles shall pay a less rate of duty than 50 per cent ad valorem.

Mr. McCUMBER. The committee amendment proposes to raise the limit from 28 per cent ad valorem to 50 per cent ad valorem. I ask that the Senate shall disagree to the committee amendment, and then I shall ask that the lines including the words "that none of the above articles shall pay a less rate of duty than 28 per cent ad valorem" be stricken out.

Mr. SIMMONS. Mr. President, I was temporarily out of the Chamber when the consideration of the tariff bill was resumed. I would like to inquire of the Senator what paragraph he is referring to?

Mr. McCUMBER. It will be found on page 39 of the bill, paragraph 217.

Mr. SIMMONS. The Senator desires to recede from the committee amendment making the rate 50 per cent?

Mr. McCUMBER. First, I shall ask that the Senate disagree to the committee amendment proposed on line 11, whereby 28 per cent is changed to 50 per cent. That will leave the rate 28 per cent. If that amendment is disagreed to, as I request, I shall then ask that the entire provision be stricken out, so that there will be no limitation.

Mr. SIMMONS. I have no objection at all to changing the rate from 50 to 28.

Mr. WATSON of Georgia and Mr. JONES of New Mexico rose.

Mr. McCUMBER. I think Senators will have no objection to reducing the rate from 50 to 28. Then I shall move to strike out the entire proviso.

Mr. SIMMONS. After the rate is reduced from 50 to 28, of course there will be a vote on whether we shall adopt 28 per cent?

Mr. McCUMBER. Yes; but I think no one will object to my suggestion.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. That leaves the proviso to read:

Provided, That none of the above articles shall bear a less rate of duty than 28 per cent ad valorem.

We have fixed the rate by specific duties, and that action will cut out the provision that it shall not be less than 28 per cent. So if the specific duty is less than 28 per cent, the specific duty, of course, will govern.

Mr. SIMMONS. What is the specific duty?

Mr. McCUMBER. There are several of them. I read:

Plain green or colored, molded or pressed, and flint, lime, or lead glass bottles, vials, jars, and covered or uncovered demijohns, and carboys, any of the foregoing, filled or unfilled, not specially provided for, and whether their contents be dutiable or free (except such as contain merchandise subject to an ad valorem rate of duty, or to a rate of duty based in whole or in part upon the value thereof, which shall be dutiable at the rate applicable to their contents), shall pay duty as follows: If holding more than one pint, 1 cent per pound; if holding not more than one pint and not less than one-fourth of a pint, 1½ cents per pound; if holding less than one-fourth of a pint, 50 cents per gross.

Mr. SIMMONS. I now understand what the Senator's proposition is. I did not at first. The Senator proposes to cut the ad valorem rate out and leave the specific rate.

Mr. McCUMBER. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment striking out the proviso as amended.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee to paragraph 217.

The next amendment was, on page 39, line 14, to strike out the word "as" after the word "use."

The amendment was agreed to.

The next amendment was, on page 39, line 15, after the word "employed," to strike out the words "as containers."

The amendment was agreed to.

The next amendment was, on page 39, line 17, to strike out the word "operations" and to insert the words "operations, and not to include bottles for table service and thermostatic bottles."

The amendment was agreed to.

Mr. WATSON of Georgia. Mr. President, some weeks ago——

Mr. McLEAN. Mr. President, I wonder if the Senator from Georgia heard the request of the Senator from New York [Mr. CALDER] that he be allowed to call up House bill 9527, extending bank charters?

Mr. WATSON of Georgia. I have just been in conference with the Senator from New York, and he very courteously agreed to give way to me for a few moments.

Mr. McLEAN. Very well.

EUROPEAN RELIEF EXPENDITURES.

Mr. WATSON of Georgia. Mr. President, some weeks ago, while we were debating the new judgeship bill, the senior Senator from Tennessee [Mr. SHIELDS] read into the record a letter he had received from Mr. Wayne B. Wheeler, of the Anti-Saloon League. The Senator also read his reply to it, and proceeded to make some comments of an explanatory or interpretative character.

When subsequently a request was made by the junior Senator from Wisconsin [Mr. LENROOT] to place the Wayne B. Wheeler letter in the RECORD, I thought it was simply a matter of fairness to the Senator from Tennessee and to myself that Senator SHIELDS's answer to Mr. Wheeler's letters, together with his comment, should all go in together, so that the RECORD would present to the country exactly what had happened and the people could see whether or not the construction placed on the letter by me, and apparently by Senator SHIELDS, was justified.

I did not unconditionally object to the putting in of the letter of Mr. Wheeler. I have never in any case made an objection purely obstructive. My objection was conditional, and my consent would have been given had the Senator from Wisconsin been willing that Senator SHIELDS's reply to Mr. Wheeler's letter, and his comment upon it, should also have gone into the RECORD, so that the whole thing would have been connectedly presented. So much for that.

My conduct on that occasion was alleged as an excuse for what I took to be a discourtesy yesterday in reading into the record a letter from Mr. Herbert Hoover. In that letter Mr. Hoover said:

Wherever these asssociations have handled funds belonging to the United States Government, the whole of the accounts and vouchers have of necessity been deposited in the United States Treasury in order to obtain payment of appropriations. As a matter of fact, a large part of these accounts have actually been reprinted in the CONGRESSIONAL RECORD itself.

I made objection to the publication of that letter until I could make some comment upon it myself. My statement had been as follows:

Herbert Hoover has never published in America the vouchers and statements of the vast sums of money that he has been handling.

It will be noticed that I used the words "statements and vouchers," and every lawyer and layman who heard me must have been conscious of the fact that I was taking the legal view of it and was speaking of such a statement as would be rendered by a guardian, an administrator, an executor, a trustee, a receiver, an assignee. In fact, almost every person intrusted with funds belonging to others is required by law to publish an itemized statement accompanied by vouchers sustaining it. That is exactly what I had in mind, and that is why I said that no such statement and vouchers had ever been published by Mr. Hoover.

With a supreme air of triumph the Senator from Wisconsin [Mr. LENROOT] held in his hands certain documents which he said proved that Mr. Hoover had done what I said he had not done, and he sent them to my desk asking that if upon examination I found that my statement was incorrect I would make the correction. That I promised to do.

Last night I examined these documents, and I must say that I feel some doubt now as to whether they have been examined by the Senator from Wisconsin [Mr. LENROOT].

They do not at all contradict my statement. There are no itemized statements. There are no vouchers here. There are no pay rolls or salary lists. Only one person out of all of the great numbers employed is mentioned by official designation and his salary given. These documents form no part of the CONGRESSIONAL RECORD. As yet no one has cited that part of the CONGRESSIONAL RECORD which contains any statements or vouchers or itemized accounts of Mr. Hoover. As yet no one has mentioned any newspaper that has published such statements, accounts, or vouchers which any lawyer would know ought to be itemized.

These statements, however, do contain astonishing information. They show that Mr. Hoover had the handling of the vastest sums of money ever handled by any one man in the history of the world. The sums are almost incredible. No emperor, no king, no Crœsus, no King Solomon, no bonanza king, no American millionaire, ever handled such vast sums

as were put in the hands of Mr. Hoover. I crave the indulgence of the Senate while I recite a few of the facts appearing in these reports.

Administration and general expenses to the 17th of June, 1920: London, $665,000; New York, $1,778,000; Rotterdam, $553,000; Brussels, $524,000; National Committee for Relief in Belgium, expenses and cash advances, $211,000; Lille, $28,000; Antwerp, $84,000; making the expense account of administration nearly $4,000,000, and no reference is made as to where the items or the vouchers could be found. The loss on furniture, fittings, and motor cars is put at $25,000—no items given.

I did not say that he has no vouchers. My statement was that he had not published any. I did not say that he had no itemized statement. What I said was that he had not published any. As yet my statement has not been disproved.

This account seems to show that Mr. Hoover had from $400,000,000 to $600,000,00 every year during the whole period of time he was in charge of the European work. The sums are simply staggering.

Here is the summary of the expenses of administration and general expense:

London office	$665,400.28
New York office	1,778,460.69
Rotterdam	553,223.35
Brussels	524,376.00
Paris	36,121.00
National committee	211,539.00
Lille	28,192.00
Antwerp	84,156.00

Who got the salaries? Who were on the pay roll, what men and what women? What did each get and what services did they render? Have the American people no right to know? Have the charitable individuals, societies, State and Federal Governments no right to know?

Here is a statement on page 62:

Transport expenditures, $165,239,023.32.

In London:

Accountants' charges	$81,274
Printing and stationery	78,313
Cables and postage	77,426
Office rent	38,597
Traveling expenses	26,988
General expenses	56,470
Press salaries and expenses	3,291
Salaries and wages	293,978
Clothing expenses	2,131

Making total expenses of the London office, $665,400.28.

Now, Mr. President, how did they expend $78,000 in printing? What did they print? Who got all these salaries, and what is meant by "press salaries"? Should not the people who gave this money know where it went and how such a large sum was expended in London as $665,000?

Here is New York City:

Clothing and campaign expenses.

What is meant by campaign expenses? We have no information, but the campaign to get clothing for the European needy cost this fund $882,572. Who got the money, and what service was rendered? In what sort of work did the campaign consist? Who were the campaigners? Who were the men and women who got the salaries, and how much did each get?

Here is the next item:

Salaries and wages, $490,878.

Adding these two together we have considerably more than $1,300,000 for salaries, wages, and campaign expenses. Then:

General expenses not itemized	$139,513
Cables, telegrams, and postage	74,609
Press expenses	40,783

What were those press expenses? What is meant by that?

Accountants' and auditors' fees	$35,250
Traveling expenses	35,427
Stationery and printing	20,689

Then I come again to Belgium, at Rotterdam:

Salaries and wages	$287,722
Clothing department	76,000
Traveling expenses	44,552
General expenses	35,696
Motor-car expenses	9,515
Press expenses	1,011

What is meant by press expenses?

Then we come to Brussels, Belgium:

Delegates' expenses	$219,936.79

What is meant by that, Mr. President? I would really like information on the subject. What delegates were these, and why did they have to have expenses and salaries out of these charity funds?

Motor-car expenses	$153,316.00
Salaries	63,400.00
Traveling expenses	24,694.77
General expenses	28,000.00
Printing and stationery	10,529.00
Telegrams and cables	895.00

Now, let us take page 98:

Circulars, stationery, and printing	$93,434
Secretary's salary, 31st of May, 1919	23,377

As I said, he is the only officer designated in these accounts and even his name is not given, although I suppose it could be found by examining some other part of the report.

Secretary's traveling expenses	$3,847
Clerical assistance	7,597
Flags, etc	2,760
Cables	1,470
Sundries	1,257
Telephone	1,019
Press cuttings	904

For clippings out of newspapers—eulogistic of Mr. Hoover and his work, no doubt—$904 is charged up to the charity fund.

Under the heading "Lille office working account," I quote the following:

Delegates	$6,176.62
Motor car	6,066.04
Office salaries and wages	5,636.99
General expenses	1,617.45
Traveling and hotel	3,277.17

Staff house—

Whatever that may mean—

$2,177.60; office expenses, $1,365.23.

Under the heading "Antwerp office expenses" appear the following items:

Salaries	$34,431.08
Clothing department expenses	22,706.48
Auto expenses	7,907.30
Delegate's allowances	5,686.38
Stationery and printing	5,109.52
General expenses	5,359.78
Traveling expenses	1,430.59

At Rotterdam there is an item for motor cars of $16,586.15, and so on throughout the report. There is not a single itemized statement, not a single voucher; and no reference is made, so far as I can see, to where one could find either the itemized statements or the vouchers.

I have read enough, Mr. President, to accomplish my purpose, which was to show that no such statement, accompanied with vouchers, as the law invariably requires of those acting in a fiduciary capacity and handling trust funds, has been filed in connection with these accounts.

EXTENSION OF CHARTERS OF NATIONAL BANKS.

Mr. CALDER obtained the floor.

Mr. McCUMBER. Mr. President, the Senator from New York [Mr. CALDER] is a member of the Finance Committee, and I am going to leave it to his own good judgment as to whether he thinks we ought to sandwich in between these extraneous matters a little consideration of the tariff bill.

Mr. CALDER. The bill for which I desire to ask consideration will, I think, meet with no objection. I think we can complete its consideration in a moment or two.

Mr. President, the Committee on Banking and Currency on May 27 reported unanimously House bill 9527, which proposes to extend the charters of national banks. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from New York asks unanimous consent for the present consideration of a bill, the title of which will be stated by the Secretary.

The ASSISTANT SECRETARY. A bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WATSON of Georgia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Borah	Harris	Newberry	Spencer
Broussard	Harrison	Norris	Sterling
Calder	Jones, N. Mex.	Oddie	Sutherland
Capper	Jones, Wash.	Page	Townsend
Caraway	Kellogg	Pepper	Underwood
Culberson	Kendrick	Poindexter	Wadsworth
Curtis	Keyes	Pomerene	Walsh, Mass.
Dial	Ladd	Ransdell	Warren
du Pont	La Follette	Rawson	Watson, Ga.
Edge	McCumber	Robinson	Watson, Ind.
France	McKinley	Sheppard	Williams
Frelinghuysen	McLean	Shortridge	Willis
Gerry	McNary	Simmons	
Glass	Nelson	Smith	
Hale	New	Smoot	

Mr. UNDERWOOD. I desire to take this opportunity to announce the absence of the senior Senator from Florida [Mr. FLETCHER] on account of sickness, and to say that he is paired with the Senator from Delaware [Mr. BALL]. I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, a quorum of the Senate is present. Is there objection to the request of the Senator from New York for the present consideration of the bill named by him?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, which had been reported from the Committee on Banking and Currency with amendments, in line 6, after the word "have," to strike out "perpetual"; in the same line, after the word "until," to insert "99 years from July 1, 1922, or from the date of its organization if organized after July 1, 1922, unless"; in line 9, before the word "dissolved," to insert the word "sooner"; in line 10, after the word "stock," to insert the word "or"; on page 2, line 1, after the word "by," to strike out "the provision of"; and in the same line, after the word "Congress," to strike out "hereinafter" and insert "hereafter"; so as to make the bill read:

Be it enacted, etc., That section 5136 of the Revised Statutes of the United States be amended so that the paragraph therein designated as "Second" shall read as follows:

"Second. To have succession until 99 years from July 1, 1922, or from the date of its organization if organized after July 1, 1922, unless it shall be sooner dissolved by the act of its shareholders owning two-thirds of its stock, or unless its franchise shall become forfeited by reason of violation of law, or unless it shall be terminated by act of Congress hereafter enacted."

SEC. 2. That all acts or parts of acts providing for the extension of the period of succession of national banking associations for 20 years are hereby repealed, and the provisions of paragraph 2 of section 5136, Revised Statutes, as herein amended shall apply to all national banking associations now organized and operating under any law of the United States.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years or until dissolved, and to apply said section as so amended to all national banking associations."

NEW YORK-NEW JERSEY PLAN OF PORT DEVELOPMENT.

Mr. EDGE. Mr. President, in order that the States of New York and New Jersey may be permitted to carry out a very large and comprehensive plan for port development, it becomes necessary for Congress to adopt a permissive act giving them that privilege. I ask unanimous consent for the immediate consideration of Senate Joint Resolution 171, which has been favorably reported by the Committee on the Judiciary, with three slight amendments.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution which the Secretary will report?

Mr. HARRISON. Let it be reported.

The ASSISTANT SECRETARY. Senate Joint Resolution 171, granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on the Judiciary with amendments.

The amendments were, on page 10, line 6, to strike out "subject matter" and insert "matters"; on the same line to strike out "of" and insert "covered by"; on line 9 to strike out "and any modifications thereof"; and on line 15, after the word "agreement," to insert: "*Provided further*, That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any of such waters until the plans therefor have been approved by the Chief of Engineers and the Secretary of War," so as to make the joint resolution read:

Whereas, pursuant to the agreement or compact entered into by the States of New York and New Jersey under date of April 30, 1921, and consented to by the Congress of the United States by resolution signed by the President on the 23d day of August, 1921, the two States have agreed upon a comprehensive plan for the development of the port of New York, embraced in statutes duly enacted by the two States in form following, that is to say:

"SECTION 1. Principles to govern the development:

"First. That terminal operations within the port district, so far as economically practicable, should be unified.

"Second. That there should be consolidation of shipments at proper classification points so as to eliminate duplication of effort, inefficient loading of equipment, and realize reduction in expenses.

"Third. That there should be the most direct routing of all commodities, so as to avoid centers of congestion, conflicting currents, and long truck hauls.

"Fourth. That terminal stations established under the comprehensive plan should be union stations, so far as practicable.

"Fifth. That the process of coordinating facilities should, so far as practicable, adapt existing facilities as integral parts of the new system, so as to avoid needless destruction of existing capital investment and reduce so far as may be possible the requirements for new capital; and endeavor should be made to obtain the consent of local municipalities within the port district for the coordination of their present and contemplated port and terminal facilities with the whole plan.

"Sixth. That freight from all railroads must be brought to all parts of the port wherever practicable without cars breaking bulk, and this necessitates tunnel connection between New Jersey and Long Island, and tunnel or bridge connections between other parts of the port.

"Seventh. That there should be urged upon the Federal authorities improvement of channels, so as to give access for that type of waterborne commerce adapted to the various forms of development which the respective shore fronts and adjacent lands of the port would best lend themselves to.

"Eighth. That highways for motor-truck traffic should be laid out so as to permit the most efficient interrelation between terminals, piers, and industrial establishments not equipped with railroad sidings and for the distribution of building materials and many other commodities which must be handled by trucks; these highways to connect with existing or projected bridges, tunnels, and ferries.

"Ninth. That definite methods for prompt relief should be devised which can be applied for the better coordination and operation of existing facilities while larger and more comprehensive plans for future development are being carried out.

"SEC. 2. The bridges, tunnels, and belt lines forming the comprehensive plan are generally and in outline indicated on maps filed by the Port of New York Authority in the offices of the secretaries of the States of New York and New Jersey, and are hereinafter described in outline.

"SEC. 3. Tunnels and bridges to form part of the plan: (a) A tunnel or tunnels connecting the New Jersey shore and the Brooklyn shore of New York to provide through-line connection between the transcontinental railroads now having their terminals in New Jersey with the Long Island Railroad and the New York connecting railroad on Long Island, and with the New York Central and Hudson River Railroad and the New York, New Haven & Hartford Railroad in the Bronx, and to provide continuous transportation of freight between the Queens, Brooklyn, and Bronx sections of the port to and from all parts of the westerly section of the port for all of the transcontinental railroads. (b) A bridge and/or tunnel across or under the Arthur Kill, and/or the existing bridge enlarged to provide direct freight carriage between New Jersey and Staten Island. (c) The location of all such tunnels or bridges to be at the shortest, most accessible, and most economical points practicable, taking account of existing facilities now located within the port district and providing for and taking account of all reasonably foreseeable future growth in all parts of the district.

"SEC. 4. Manhattan service: The island of Manhattan to be connected with New Jersey by bridge or tunnel, or both, and freight destined to and from Manhattan to be carried underground, so far as practicable by such system, automatic electric as hereinafter described or otherwise, as will furnish the most expeditious, economical, and practicable transportation of freight, especially meat, produce, milk, and other commodities comprising the daily needs of the people. Suitable markets, union inland terminal stations, and warehouses to be laid out at points most convenient to the homes and industries upon the island, the said system to be connected with all the transcontinental railroads terminating in New Jersey and by appropriate connection with the New York Central & Hudson River Railroad, the New York, New Haven & Hartford, and the Long Island Railroads.

"SEC. 5. Belt lines: The numbers hereinafter used correspond with the numbers which have been placed on the map of the comprehensive plan to identify the various belt lines and marginal railroads.

"No. 1, middle belt line: Connects New Jersey and Staten Island and the railroads on the westerly side of the port with Brooklyn, Queens, the Bronx, and the railroads on the easterly side of the port. Connects with the New York Central Railroad in the Bronx; with the New York, New Haven & Hartford Railroad in the Bronx; with the Long Island Railroad in Queens and Brooklyn; with the Baltimore & Ohio Railroad near Elizabethport and in Staten Island; with the Central Railroad Co. of New Jersey at Elizabethport and at points in Newark and Jersey City; with the Pennsylvania Railroad in Newark and Jersey City; with the Lehigh Valley Railroad in Newark and Jersey City; with the Delaware, Lackawanna & Western Railroad in Jersey City and the Secaucus meadows; with the Erie Railroad in Jersey City and the Secaucus meadows; with the New York, Susquehanna & Western, the New York, Ontario & Western, and the West Shore Railroads on the westerly side of the Palisades above the Weehawken Tunnel.

"The route of the middle belt line, as shown on said map, is in general as follows: Commencing at the Hudson River at Spuyten Duyvil, running easterly and southerly generally along the easterly side of the Harlem River, utilizing existing lines so far as practicable and improving and adding where necessary, to a connection with Hell Gate Bridge and the New Haven Railroad, a distance of approximately 7 miles; thence continuing in a general southerly direction, utilizing existing lines and improving and adding where necessary, to a point near Bay Ridge, a distance of approximately 18½ miles; thence by a new tunnel under New York Bay in a northwesterly direction to a portal in Jersey City or Bayonne, a distance of approximately 5 miles, to a connection with the tracks of the Pennsylvania and Lehigh Valley Railroads; thence in a generally northerly direction along the easterly side of Newark Bay and the Hackensack River at the westerly foot of the Palisades, utilizing existing tracks and improving and adding where necessary, making connections with the Jersey Central; Pennsylvania; Lehigh Valley; Delaware, Lackawanna & Western; Erie; New York, Susquehanna & Western; New York, Ontario & Western; and West Shore Railroads, a distance of approximately 10 miles. From the westerly portal of the Bay Tunnel and from the line along the easterly side of

Newark Bay by the bridges of the Central Railroad of New Jersey (crossing the Hackensack and Passaic Rivers) and of the Pennsylvania and Lehigh Valley Railroads (crossing Newark Bay) to the line of the Central Railroad of New Jersey, running along the westerly side of Newark Bay, and thence southerly along this line to a connection with the Baltimore & Ohio Railroad south of Elizabethport, utilizing existing lines so far as practicable and improving and adding where necessary, a distance of approximately 12 miles; thence in an easterly direction crossing the Arthur Kill, utilizing lines so far as practicable and improving and adding where necessary, along the northerly and easterly shores of Staten Island to the new city piers and to a connection, if the city of New York consent thereto, with the tunnel under the Narrows to Brooklyn, provided for under chapter 700 of the laws of the State of New York for 1921.

"No. 2: A marginal railroad to The Bronx extending along the shore of the East River and Westchester Creek, connecting with the middle belt line (No. 1) and with the New York, New Haven & Hartford Railroad in the vicinity of Westchester.

"No. 3: A marginal railroad in Queens and Brooklyn extending along Flushing Creek, Flushing Bay, the East River, and the upper New York Bay. Connects with the middle belt line (No. 1) by lines No. 4, No. 5, No. 6, and directly at the southerly end at Bay Ridge. Existing lines to be utilized and improved and added to and new lines built where lines do not now exist.

"No. 4: An existing line to be improved and added to where necessary. Connects the middle belt line (No. 1) with the marginal railroad (No. 3) near its northeasterly end.

"No. 5: An existing line to be improved and added to where necessary. Connects the middle belt line (No. 1) with the marginal railroad (No. 3) in Long Island City.

"No. 6: Connects the middle belt line (No. 1) with the marginal railroad (No. 3) in the Greenpoint section of Brooklyn. The existing portion to be improved and added to where necessary.

"No. 7: A marginal railroad surrounding the northerly and westerly shores of Jamaica Bay. A new line. Connects with the middle belt line (No. 1).

"No. 8: An existing line to be improved and added to where necessary. Extends along the southeasterly shore of Staten Island. Connects with middle belt line (No. 1).

"No. 9: A marginal railroad extending along the westerly shore of Staten Island and a branch connection with No. 8. Connects with the middle belt line (No. 1) and with a branch from the outer belt line (No. 15).

"No. 10: A line made up mainly of existing lines, to be improved and added to where necessary. Connects with the middle belt line (No. 1) by way of marginal railroad No. 11. Extends along the southerly shore of Raritan Bay and through the territory south of the Raritan River reaching New Brunswick.

"No. 11: A marginal railroad extending from a connection with the proposed outer belt line (No. 15) near New Brunswick along the northerly shore of the Raritan River to Perth Amboy; thence northerly along the westerly side of the Arthur Kill to a connection with the middle belt line (No. 1) south of Elizabethport. The portion of this line which exists to be improved and added to where necessary.

"No. 12: A marginal railroad extending along the easterly shore of Newark Bay and the Hackensack River and connects with the middle belt line (No. 1). A new line.

"No. 13: A marginal railroad extending along the westerly side of the Hudson River and the upper New York Bay. Made up mainly of existing lines—the Erie Terminals, Jersey Junction, Hoboken Shore, and National Dock Railroads. To be improved and added to where necessary. To be connected with middle belt line (No. 1).

"No. 14: A marginal railroad connecting with the middle belt line (No. 1) and extending through the Hackensack and Secaucus Meadows.

"No. 15: An outer belt line extending around the westerly limits of the port district beyond the congested section. Northerly terminus on the Hudson River at Piermont. Connects by marginal railroads at the southerly end with the harbor waters below the congested section. By spurs connects with the middle belt line (No. 1) on the westerly shore of Newark Bay and with the marginal railroad on the westerly shore of Staten Island (No. 9).

"No. 16: The automatic electric system for serving Manhattan Island. Its yards to connect with the middle belt line and with all the railroads of the port district. A standard-gauge underground railroad deep enough in Manhattan to permit of two levels of rapid-transit subways to pass over it. Standard railroad cars to be brought through to Manhattan terminals for perishables and food products in refrigerator cars. Cars with merchandise freight to be stopped at its yards. Freight from standard cars to be transferred onto wheeled containers, thence to special electrically propelled cars, which will bear it to Manhattan. Freight to be kept on wheels between the door of the standard freight car at the transfer point and the tailboard of the truck at the Manhattan terminal or the store door, as may be elected by the shipper or consignee, eliminating extra handling. Union terminal stations to be located on Manhattan in zones as far as practicable of equal trucking distance, as to pickups and deliveries, to be served by this system. Terminals to contain storage space and space for other facilities, the system to bring all the railroads of the port to Manhattan.

"SEC. 6. The determination of the exact location, system, and character of each of the said tunnels, bridges, belt lines, approaches, classification yards, warehouses, terminals, or other improvements shall be made by the port authority after public hearings and further study, but in general the location thereof shall be as indicated upon said map, and as herein described.

"SEC. 7. The right to add to, modify, or change any part of the foregoing comprehensive plan is reserved by each State, with the concurrence of the other."

Whereas the carrying out and executing of the said plan will the better promote and facilitate commerce between the States and between the States and foreign nations and provide better and cheaper transportation of property and aid in providing better postal, military, and other services of value to the Nation: Therefore be it

Resolved, etc., That subject always to the approval of the officers and agents of the United States as required by acts of Congress touching the jurisdiction and control of the United States over the matters, or any part thereof, covered by this resolution, the consent of Congress is hereby given to the carrying out and effectuation of said comprehensive plan, and the said Port of New York Authority is authorized and empowered to carry out and effectuate the same: *Provided*, That nothing herein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement: *Provided further* That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any such waters until the plans therefor have been approved by the Chief of Engineers and the Secretary of War.

SEC. 2. That the right to alter, amend, or repeal this resolution is hereby expressly reserved.

Mr. ROBINSON. Mr. President, this seems to be quite a voluminous measure, and I think the Senate ought to be given an opportunity to understand its purposes and effect. There are several pages of preamble.

Mr. EDGE. If the Senator from Arkansas will permit me, I did not want to take the time of the Senate from the consideration of the tariff bill.

Mr. ROBINSON. But, Mr. President, the Senator has taken the time of the Senate from the consideration of the tariff bill by asking unanimous consent for the consideration of this measure; and I do not think anyone here, except, perhaps, the Senator from New Jersey and some other Senators who may have had an opportunity of familiarizing themselves with it, understands the purposes of this joint resolution. There are nine pages of preamble to the joint resolution, appearing to present a large number of facts which make its passage necessary. What I want to know is the purposes and effect of the joint resolution. I have not had an opportunity of reading it, and it has not been read.

Mr. EDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from New Jersey?

Mr. ROBINSON. Certainly.

Mr. EDGE. I shall be very glad to explain the joint resolution in a very few moments.

The recitals to which the Senator refers are the recitals of the projects which the two States hope to carry out. The joint resolution provides for absolutely no appropriation from the Government. It does not contemplate any appropriation from the Government. Under Federal laws, the War Department must give permission for the improvement of navigable waters. They have gone over this joint resolution very carefully and have suggested two or three slight amendments, and the Committee on the Judiciary have reported the measure favorably with those slight amendments. The long joint resolution is merely, as stated, a recital of what these two States hope to put into effect; and the Senator will notice that at the end of the joint resolution it is provided that if in any way, at any time, any of these projects do not meet the approval of the Government, the two States are prohibited from carrying them out. It means the expenditure of eight or ten million dollars to try to enlarge and increase the facilities of the port of New York, not only for the benefit of that section of the country, but, I think it will be agreed, for the benefit of the entire country.

The coming to Congress is merely a perfunctory matter growing out of the fact that the States are prohibited from going into any interstate development without congressional permission. That is all that the joint resolution contemplates. The Committee on the Judiciary have undoubtedly investigated, as their responsibility entails, any privilege that might be granted by the passage of this joint resolution; and, as I have stated, the War Department has sent in its report in every way approving the joint resolution, with slight amendments.

Mr. ROBINSON. The joint resolution appears to be designed to carry out an agreement entered into between the States of New Jersey and New York for a comprehensive scheme of development and improvement in which the States are jointly interested.

Mr. EDGE. That is it exactly. The two States have entered into a treaty already, which has been ratified by the legislature of each State.

Mr. ROBINSON. I have no objection to the passage of the measure.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

POTEAU RIVER DAM, ARK.

Mr. CARAWAY. I ask unanimous consent, out of order, to report back favorably from the Committee on Commerce Senate bill 3416, to permit the city of Fort Smith, Sebastian County, Ark., to erect or cause to be erected a dam across the Poteau River, and I submit a report (No. 729) thereon. I ask unanimous consent for the immediate consideration of the bill. It

will take only a moment. It grants to the city of Fort Smith the right to construct a dam across a river to protect the city water supply.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce, with amendments.

The amendments were, on page 2, line 1, after the word "dam," to insert "for water-supply purposes"; at the end of line 4 to strike out the period and to insert a comma and the words "at such location and in accordance with such plans as may be approved by the Chief of Engineers and the Secretary of War: *Provided*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity"; after line 4 to strike out section 2, as follows:

SEC. 2. That the right is hereby reserved to alter, amend, or repeal this act—

and in lieu thereof to insert:

SEC. 2. That this act shall be null and void unless the actual construction of the dam hereby authorized is commenced within one year and completed within three years from the date hereof—

and to insert a new section, as follows:

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved—

so as to make the bill read:

Whereas the city of Fort Smith, Sebastian County, Ark., a duly organized and incorporated city in said county and State, is dependent for its water supply upon the Poteau River, a stream originating in the State of Oklahoma and emptying into the Arkansas River just east of the State line between the States of Arkansas and Oklahoma; and

Whereas it is necessary for a dam to be constructed in order to preserve the purity of the water supply of the said city of Fort Smith: Therefore

Be it enacted, etc., That the city of Fort Smith, a duly incorporated city, of Sebastian County, Ark., is hereby granted permission to erect or cause to be erected a dam for water-supply purposes across the Poteau River at or near a point just west of the State line dividing the States of Arkansas and Oklahoma, and near or just above the mouth of Mill Creek, at such location and in accordance with such plans as may be approved by the Chief of Engineers and the Secretary of War: *Provided*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity.

SEC. 2. That this act shall be null and void unless the actual construction of the dam hereby authorized is commenced within one year and completed within three years from the date hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask that we return to paragraph 219 of the bill.

The ASSISTANT SECRETARY. Paragraph 219 is on page 42, and relates to cylinder, crown, and sheet glass, by whatever process made, unpolished.

Mr. McCUMBER. I desire to suggest several committee changes in the paragraph. It is the paragraph that relates to cylinder, crown, and sheet glass, generally known as window glass, and that character of glass.

I wish to say at this time that the committee in its first hearings gave so much time to the paragraphs of the bill on which there were contests that it may be that in some instances where there was no contest it did not give the consideration that ought to have been given to the amendment of some of the House provisions. It was understood that the committee should be in session every morning for the purpose of looking further into any of these matters as they arose.

The committee has carefully gone over paragraph 219 and will suggest an amendment to each one of these rates, with the exception of the first one, namely: To leave the "1¼" as it is; to change the "1⅜" to "1⅝"; to change the next item of "2¼" to "1⅝"; to change the next item of "2¾" to "1¾"; to change the next item of "3¼" to "2"; to change the next item of "3¾" to "2¼"; to change the item on line 17, of "4 cents," to "2½ cents"; and then to strike out the proviso "That none of the foregoing shall pay a less duty than 50 per cent ad valorem."

Taking them in their order as committee amendments, I move to strike out, on line 10, "1¾" and to insert in lieu thereof "1⅝"; but before that is voted upon I wish to make a little explanation of what would be the equivalent ad valorem duties, taking the average, of each one of these items for the first nine months of 1921.

The duty on the first item, which is left unchanged, would amount to 20 per cent ad valorem. The duty on the second item, glass exceeding 150 and not exceeding 384 square inches, 1⅜ cents, would be equivalent to 28 per cent ad valorem. The duty on glass exceeding 384 and not exceeding 720 square inches, as proposed to be modified, would be equivalent to 33 per cent. The duty on glass exceeding 720 and not exceeding 864 square inches, 1¾ cents per pound, would be equivalent to 29 per cent. The duty on glass exceeding 864 and not exceeding 1,200 square inches, reducing the rate to 2 cents per pound, would be equivalent to 33 per cent ad valorem. The duty on glass exceeding 1,200 square inches and not exceeding 2,400 square inches, 4 cents per pound, would be equivalent to 38 per cent ad valorem. The duty on glass above 2,400 square inches, 2½ cents per pound, would be equivalent to 42 per cent ad valorem. The ordinary glass used for window glass, as stated here, would bear a duty equivalent to about 20 per cent ad valorem.

Therefore, I move to strike out, in line 10, "1¾," and to insert in lieu thereof "1⅝," so as to read:

Above that, and not exceeding 384 square inches, 1⅝ cents per pound.

Mr. JONES of New Mexico. Mr. President, this paragraph and the one which was dealt with earlier in the morning session present some very interesting features. The modified rates proposed by the Senator from North Dakota are considerably higher than those in the present law, and while we all agreed to the amendment proposed this morning by the committee in paragraph 217, yet, when we come to consider the original text of the bill, which remains unchanged by any Senate committee amendment, there will be amendments offered to that provision.

In this connection I desire to reserve for separate votes in the Senate paragraphs 218 and 222.

Paragraph 219, as has been stated by the chairman of the committee, includes common window glass, and the industry presents a most interesting situation. I prefer to read just what the Tariff Commission has said about it rather than to state in my own language what the facts are, and I think it important to get something of a picture before the Senate as to the processes of this industry, as to how it is controlled, and the arrangement which exists now parceling out not only the market of the United States but of the world.

We have in the report of the Tariff Commission a statement of some comparative costs in this country and Belgium for hand-blown glass, but we have no comparison of costs of the handmade and the machinemade glass. In fact, we have no data whatsoever regarding that cost, but we do find the most interesting statement as to the American cost of production of the handmade glass, and I will read just what the commission has to say about it:

The American cost of production in the foregoing—

That is the American data, which has been considered and compared with the Belgian cost—

The American cost of production in the foregoing is based mainly on the skill of the hand blower who limits his own production to nine cylinders of glass per hour, his labor to 40 hours per week, and his period of employment per year to six months. This hand blower makes a cylinder of glass about 5 feet long and 12 to 15 inches in diameter, or about 2,800 square inches, and it takes him longer to make it than it takes a machine to blow a cylinder over 39 feet long and 22 inches in diameter containing about 32,000 square inches. The machine tender operates three to five machines at the same time, and produces this immense quantity of glass and receives 25 per cent less wages than the hand blower. The high rate of earnings of the hand blower ($50 per week in 1917) is charged into the labor cost of his restricted output of nine small cylinders a day, while the lesser earnings of the machine operator ($40 per week in 1917) when distributed as labor cost over his great quantity of production make a relatively small labor cost in a 50-foot box. As machine production is 60 per cent of the total production, the ability of machine factories to compete with the handmade glass of European countries is a reasonable conclusion.

Mr. HITCHCOCK. Mr. President, why is it that under those circumstances machine production is only 60 per cent?

Mr. JONES of New Mexico. It is by reason of an understanding between the makers of this glass.

Mr. HITCHCOCK. It would seem to be very much to their advantage to use machines for all of it.

Mr. JONES of New Mexico. There is no question about the economic advantage, but it seems to be a psychological as well as an economic situation which is presented, and that is one of the complexities of this problem. But I want to present it to the Senate. The Tariff Commission states some tariff considerations, as follows:

TARIFF CONSIDERATIONS.

The tariff problem centers around the small sizes of window glass, up to and including glass 16 by 24 inches in size, or 384 square inches. The tariff on the larger sizes is satisfactory to manufacturers.

Notwithstanding that, the chairman of the committee this morning, in his reduction of these duties, increased the present rate to a very considerable extent, when the Tariff Commission report that the present rates of duty upon the larger sizes are satisfactory to the manufacturers. They say further:

The consumers of window glass in the United States require from 50 to 55 per cent of the single strength in the small sizes up to 16 by 24. Single strength measures approximately 12 lights to the inch in thickness and weighs about 16 ounces to the square foot; double strength, about 9 lights to the inch and weighs about 24 ounces to the square foot.

Then the present rates of duty are given, both under the act of 1909 and the present law.

The rates of duty in the tariff act of 1909 on the small sizes were reduced in the tariff act of 1913 from 1¼ cents, 1⅝ cents, 1⅞ cents, and 1¼ cents per pound to seven-eighths cent and 1 cent per pound, according to value and surface area.

This morning, in suggesting its rates, the committee practically readopted the rates under the act of 1909, which were materially reduced by the act of 1913, but notwithstanding that reduction in the act of 1913 the manufacturers themselves say that on the larger sizes the existing rates are satisfactory.

In addition to that, "some window-glass manufacturers have stated (1916) that without material injury to the industry the duties on the larger brackets might be reduced."

But instead of reducing them, as the manufacturers say might be done, the committee proposes to increase them, and, so far as the investigation of the Tariff Commission is concerned, no manufacturer has said that they should be increased.

Mr. HITCHCOCK. The committee not only proposes to increase the specific duties over existing law, but it also provides that those specific duties must constitute at least a 50 per cent ad valorem?

Mr. JONES of New Mexico. The committee this morning receded from that proposal and struck out the whole proviso, so that is no longer in the bill.

Mr. HITCHCOCK. That is abandoned?

Mr. JONES of New Mexico. Upon their motion this morning that proviso was stricken out.

The Senator from North Dakota this morning gave to us the percentages of duty which his modified rates would amount to. I want to call attention to the fact, however, that his percentages are based upon the prices of 1921, as he stated, and those prices are at least 100 per cent higher than the pre-war prices. If we get our percentages on the pre-war prices, the equivalent ad valorem rates would be just about twice the ad valorem rates which were given to us by the Senator from North Dakota. Of course, based upon the value which he used, his figures are correct, but the prices on which he based his calculations ranged from 100 per cent to even higher than 100 per cent above the pre-war prices.

This very kind of glass, the common window glass, which was selling before the war for $4.50 a box, is now selling for $9 a box, just 100 per cent higher, and other kinds are selling for more than 100 per cent higher.

Mr. SIMMONS. Does the Senator mean the foreign price?

Mr. JONES of New Mexico. I am giving the American price as the basis for my statement as to these increased prices, but I feel certain that the foreign price has also advanced. It may be I am in error in making that statement as the basis of the calculation of the Senator from North Dakota, but without definite information I do not believe it possible for me to be.

Mr. SIMMONS. I am quite certain the Senator is right. Of course, to test the rate we would have to take the foreign price and not the American price.

Mr. JONES of New Mexico. In this connection I will have to refer to some data which I have, and which will probably clear up the matter. I find the statement here that the landed cost of the Belgian glass is $8 per box. Of course, that includes the duty of 70 per cent under the present rate, but does not include any importer's profit or overhead expenses and costs. The domestic manufacturers are charging $9 per box for that article. Prior to the war the domestic manufacturers were selling the same article for $4.50 per box. So the Belgian price is really above a parity with the domestic manufacturers' price.

Mr. SIMMONS. The Senator adds profits?

Mr. JONES of New Mexico. Yes; that is when we add the necessary overhead and profits of the importers. On window glass the profit is a little higher than the average, I think, on account of the breakage and transportation.

Mr. SIMMONS. The Senator, I think, is absolutely right, so far as importation from Belgium is concerned. On the foreign price he would add the overhead and profits. That is what is ordinarily allowed for overhead and profits. If they were added to the foreign price it would exceed the present domestic price, but I understood that the Senator from North Dakota in giving his ad valorem equivalent was probably estimating it upon a much lower foreign price than indicated in the statement of the Senator from New Mexico. If the Senator from New Mexico will pardon me, I would like to inquire of the Senator from North Dakota what was the foreign price upon which he made his calculation in making his statement a little while ago as to what would be the ad valorem equivalent of the specific rates under paragraph 219?

Mr. McCUMBER. I have the data here if the Senator from New Mexico will yield to me.

Mr. JONES of New Mexico. I am glad to yield to the Senator.

Mr. McCUMBER. It will also correct to a considerable extent the misapprehension as to the foreign values being double. I have also the foreign values. I did not read the entire table, but I will state some of them at this time.

On not exceeding 150 square inches; that is, a 10 by 15 glass. The present valuation is 6 cents a pound, and the pre-war price was about 4 cents. So that was about two-thirds of the present valuation, or one-third less than the present valuation.

The next one is exceeding 150 and not exceeding 384 square inches. The present valuation is 5 cents per pound, and the pre-war valuation was 2.6. That comes nearer doubling than any of them.

Now I will take the next one, exceeding 384 and not exceeding 720 square inches. The present price—and what I mean by the present price is the price for the first nine months of 1921—was 5 cents per pound. The pre-war price seems to range from 3 to 4½ cents per pound. So on that there is very little difference.

Exceeding 720 and not exceeding 864. The present price is 6 cents per pound, and the pre-war price was 6 cents per pound. So the ad valorem would be just the same as the pre-war.

Exceeding 864 and not exceeding 1,200 square inches. The present price is 6 cents, and the pre-war was from 5½ to 5.9. So it is very close to the same price.

I have not yet had time to go over the last two in the comparison, but I think in the larger glass we have gotten down very close to the pre-war basis, and on the others they would average, I would say, about one-fourth greater than the pre-war prices.

Mr. SIMMONS. The Senator is giving the price of those articles by the pound?

Mr. McCUMBER. Yes; that is what I was giving.

Mr. SIMMONS. Will the Senator please tell me where he gets the prices that he has presented?

Mr. McCUMBER. As I stated, we took the best data we had. It is not right up to date. We took the first nine months of 1921. That is as far as we have been able to get complete records. Taking the first nine months of 1921 as our basis, it would give us 6 cents per pound upon the first, 5 cents on the second, 5.5 on the third, 6 on the fourth, 6 on the fifth, 6 on the sixth, and 6 on the seventh bracket.

Mr. SIMMONS. Where are those prices quoted?

Mr. McCUMBER. They are quoted in the reports of the importations for 1921. We have not all the months, but we have a completed report for the first nine months of 1921. I have an idea that at the present rate possibly it may be a little lower, although I have no definite figures.

While I am on my feet, may I call the attention of Senators to the fact that the difference in the rates is not so very much. They are not very much higher on the valuation than under the present law. For instance, where we have a rate of 1¼ cents per pound, the Underwood law was seven-eighths. There was quite a little difference there, but where the House proposes 1⅜, and we have changed it to 1⅝, the present law is 1 cent per pound. Where we have 1⅝, the present law is 1⅛, a difference of one-half. Where we have 1¾, the present law is 1½. Where we have 2—and I am speaking of what we now propose—the present law is 1½. Where we have 2¼, the present law is 1⅞. Where we have 2½, the present law is 2. So there is only a very slight increase in percentages above the present law. Of course, the ad valorem rates make more difference because they are based upon the price in 1921.

Mr. JONES of New Mexico. But I call attention to the fact that the increase in the first item, which is not modified by the committee, from seven-eighths of 1 cent to 1¼ cents, is an increase of three-eighths of a cent above the seven-eighths of 1 cent, which I should say would amount to about 40 per cent.

Mr. McCUMBER. I gave that as 1¼ and 1⅜, and the reason why we did not lower it was that it only amounts to 20 per

cent ad valorem, and we considered that a very reasonable rate.

Mr. JONES of New Mexico. Twenty per cent ad valorem on the 1921 prices?

Mr. McCUMBER. Yes.

Mr. JONES of New Mexico. In the next bracket it is changed from 1 cent, as it is under the existing law, to 1⅜. That would be an increase of three-eighths, which would amount to about 37½ per cent, as I roughly figure it.

Mr. McCUMBER. That is, it would amount to that much over the present law?

Mr. JONES of New Mexico. Yes; 37½ per cent above the present law. In the next line, where the rate is 1¼, it is proposed to change it to 1⅝, an increase of four-eighths above nine-eighths, which would be, as I roughly figure it, about 40 to 50 per cent increase over the present duty.

The next item is a new bracket not found in the present law, but the sizes would fall within the 1¼ cent bracket. That proposes a change to 1⅞. That would be an increase of five-eighths in that bracket on the sizes above 720 square inches and not exceeding 864 square inches. The present rate is 1¼, and they increase that to 1⅞.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. As I understood the Senator from North Dakota, he said that the ad valorem equivalent would be, I think, 29 per cent. I may be mistaken.

Mr. JONES of New Mexico. That is the ad valorem equivalent of the rate, based upon 1921 prices.

Mr. SIMMONS. The ad valorem equivalent under the present law in 1920 was 11.66.

Mr. JONES of New Mexico. An increase of nearly three times.

Mr. McCUMBER. Let me correct the Senator in his last statement on this bracket. It is true there is one more bracket in the pending bill than there is in the present law. The Senator is correct in that statement. Where we have the two brackets together, in lines 13 and 15, we propose 1⅞ cents, and in the next one we propose 2 cents. The present rate of duty is 1¼ cents on all that are included in that bracket, so it is one-half of 1 cent above the one and one-fourth of 1 cent above the other per pound.

Mr. JONES of New Mexico. I may possibly have made the wrong figures here. I think the Senator is right about it, and that I made a miscalculation.

Mr. SIMMONS. I wish to ask the Senator from North Dakota what is his estimate as to the ad valorem equivalent with the bracket that reads:

Above that, and not exceeding 864 square inches, 2⅜ cents per pound.

Mr. McCUMBER. Twenty-nine per cent is the equivalent ad valorem.

Mr. SIMMONS. The Senator said that was very little higher than the present law. The present ad valorem equivalent for 1920, which is the last year given, was 11.66.

Mr. McCUMBER. Of course, if we have a quarter of a cent per pound and increase it to one-half cent per pound, we have increased 100 per cent. That is true if you measure by percentage increases. I was speaking simply of the difference in the amount per pound between the Underwood-Simmons law and the pending bill; and then, of course, I gave the ad valorem equivalent under the bill we propose in case the rates are the same as the average for the first nine months of 1021. That is as close as I could get it.

Mr. SIMMONS. Of course, where we are dealing with fractions and fractional increases in a specific rate, it appears small, but when we reduce those fractions to ad valorem percentages, it makes quite a difference. Taking that particular bracket, reading practically the same in both cases, the ad valorem equivalent of the rate now proposed by the Senator from North Dakota would be 29 per cent as against 11.66 per cent.

Mr. McCUMBER. That is on glass exceeding 720 and not exceeding 864.

Mr. SIMMONS. Yes; above 720 and not exceeding 864.

Mr. McCUMBER. Will the Senator get the exact one? I can give him the ad valorem rate upon it if I know which one he refers to.

Mr. SIMMONS. This is above 384 and not exceeding 720.

Mr. McCUMBER. On that the equivalent ad valorem duty, as I stated, is 33 per cent. The price in 1921, taking the average for the nine months, was 5 cents per pound. The pre-war price ranged from 3 to 4½ cents per pound. Of course, if we take the price of 3 cents per pound and put a duty of 1⅜ cents on it, the equivalent ad valorem would be very much above 33 per cent, but if we take the 4½ cents per pound price, it would only be a very little above the 33 per cent.

Mr. SIMMONS. But, of course, we have to take the price for the same year for the purpose of making the comparison.

Mr. McCUMBER. The average pre-war price was in the neighborhood of 3¾ cents, as against 5 cents, the average for 1921.

Mr. SIMMONS. For the purpose of comparison, would not the Senator have to get the average price to-day and apply the rate of the Underwood law and the rate of the pending bill?

Mr. McCUMBER. Not having the importers' figures except for the nine months of 1921, we had to accept them as the proper basis for making our calculations; and I understand the prices are about the same now. They are very much lower, of course, than they were in 1920, for the price that year was the peak price.

Mr. SIMMONS. That is true.

Mr. JONES of New Mexico. Mr. President, I call attention to the fact that in the Payne-Aldrich law there was a limitation upon prices also. That is left out of the present law and also from the bill as it comes from the committee. The act of 1909 read, in part, as follows:

PAR. 99. Unpolished, cylinder, crown, and common window glass, not exceeding 150 square inches, valued at not more than 1½ cents per pound, 1½ cents per pound; valued at more than 1½ cents per pound, 1⅞ cents per pound; above that, and not exceeding 384 square inches, valued at not more than 1⅞ cents per pound, 1⅞ cents per pound; valued at more than 1⅞ cents per pound, 1⅞ cents per pound.

Above that the Payne-Aldrich law simply fixed the rates based upon the sizes.

Mr. SIMMONS. I desire to ask the Senator a question. The Senator is entirely right; it would not be quite fair to make a comparison based on the prices in 1920, because those prices were, in the main, very high, and, of course, when the prices are high the ad valorem goes down. Now, the Senator is making the point that prices have gone down since then, and that would necessarily increase the tariff ad valorem equivalent. He is right about that. I want to inquire of the Senator if his investigation has disclosed whether there has been any fall in the prices of this character of glass. I know there has been a fall in many prices, but I was under the impression that the decline in prices had not reached glass as yet either here or abroad.

Mr. JONES of New Mexico. The Senator is right, so far as any information I have is concerned, that prices of glass to-day are just about 100 per cent higher in this country than they were prior to the war.

Mr. SIMMONS. Have those prices fallen any since 1920?

Mr. JONES of New Mexico. There has been some reduction from actual war prices. For instance, the kind of glass to which I referred a while ago as selling at $9 a box now and $4.50 prior to the war did sell at one time during the war for $13.50. So there has been something of a reduction since the peak of the war prices. I find in the Tariff Information Survey a comparison of the rates in the Payne-Aldrich law and the existing law, and, inasmuch as the rates now suggested by the committee are practically the same as the Payne-Aldrich rates, not taking into consideration, however, the limitation upon prices in the Payne-Aldrich law—and I do not know just what effect that will have upon the bracket—I shall refer to that table. Upon the first two brackets the Payne-Aldrich law rates ranged from 92.1 per cent to 34 per cent, whereas the present law rate is 20.77 per cent. I would judge that, on the average, one would be at least twice as high as the other. The table to which I am referring is found on page 76 of the Tariff Information Survey, B-9.

In the next bracket, above 150 but not exceeding 384 square inches, there were two valuations given, which made a difference in the rate of duty under the Payne-Aldrich law, the duty in the one case being 107.51 per cent and in the other 54.23 per cent. Those two items were thrown together in the present law, and the rate of duty was 31.51 per cent.

In the next size, above 384 and not exceeding 720 square inches, where two different valuations also are given, we find that the rate on the lower value amounted to 107.94 per cent and on the other to 58.66 per cent, while under the present law the rate is 32.71 per cent.

The two brackets, including glass above 720 and not exceeding 864 square inches and above 864 and not exceeding 1,200 square inches, which were found in the Payne-Aldrich law, are revived in this proposal by the Senate committee. Under the present law the two were combined, and the average rate was 42.83 per cent.

Above 1,200 and not exceeding 2,400 square inches the 1909 act imposed a duty of 64.27 per cent, as against the duty in the present law of 47.74 per cent.

Above 2,400 square inches, the Payne-Aldrich law imposed a duty of 119.76 per cent and the present law 28.33 per cent.

As I take it, the committee has practically gone back to the Payne-Aldrich rates, except in the very highest brackets.

Mr. McCUMBER. Mr. President, I wish to say to the Senator that we did not have the Payne-Aldrich provision before us at all in considering this paragraph. We simply took the House rates as they were, the prices, and so forth, and made the changes; but paid no attention to the Payne-Aldrich Act. If we have come close to the Payne-Aldrich rates in any particular, it is not because of any attempt to use them as a guide.

Mr. JONES of New Mexico. It is merely a coincidence, then.

Mr. SMOOT. No; there is not any coincidence.

Mr. JONES of New Mexico. Let us see as to that.

Mr. SMOOT. The Senator is speaking of window glass, is he not?

Mr. JONES of New Mexico. I am; and if the Senator will turn to the paragraph he will find that in the first bracket of the Payne-Aldrich law the rate was 1¼ cents, and that is just what it is in this bill, and in the next bracket it was 1⅝ cents, and that is just what it is here.

Mr. SMOOT. Of course, that is what the rates are in the House bill; but it is not the rate to be proposed by the Senate committee.

Mr. JONES of New Mexico. Yes it is; that is precisely the rate. I have the figures here. It is merely a coincidence, and I am not complaining about that at all.

Mr. SMOOT. I thought the Senator said that all the rates in paragraph 219 were the rates of the Payne-Aldrich Act.

Mr. JONES of New Mexico. Oh, no; I said that the proposal of the committee this morning practically duplicated the Payne-Aldrich rates. As I remarked, however, there is no point to that; it is merely a coincidence.

Mr. SMOOT. The Senator will notice, for instance, there is a duty of 4 cents a pound——

Mr. JONES of New Mexico. I said in the highest brackets there was a change, and it is a considerable change.

Mr. SMOOT. I misunderstood the Senator. I understood him to say that the rates reported by the committee were practically the same as the Payne-Aldrich rates.

Mr. JONES of New Mexico. I did, except as to the highest brackets.

Mr. SMOOT. I did not hear the Senator make that observation.

Mr. JONES of New Mexico. But, of course, that does not alter the situation at all. We are considering the rates of duty as proposed.

Mr. President, I was reading something about the organization of this industry and the difference between hand-blown and machine-made glass. I do not remember just how far I read about the methods of production, but it is important, I think, to get it all together in one picture, so I may repeat to some extent regarding the methods of production.

With an iron blowpipe the hand blower, in a surprisingly skillful manner, makes a cylinder of single-strength glass about 5 feet in length and from 12 to 15 inches in diameter. The most successful machine draws, hoists, and blows cylinders of glass nearly 39 feet in length and about 22 inches in diameter. From the cylinder made by machine more than eight times as much glass is obtained as from the cylinder made by hand. The large machine cylinder is made in less time. The machine blower operates from three to five machines at a time. The processes of flattening, annealing, cutting, and boxing are the same for machine and hand-made glass. A method of drawing the glass in a continuous flat sheet is still in an experimental stage in the United States, but is said to be successfully employed in Belgium.

Now, as to the organization:

The principal machine company operates 118 machines and 6 factories, and is the largest window-glass producer in the world. Its productive capacity, organization, and facilities enabled it to export 80 per cent of all the window glass exported in 1916, an exceptional year, the total amounting to over $3,000,000 in value. This one company could produce nearly all the window glass needed in the American market. It curtails production, however, and with other machine factories divides the domestic market with the 55 small hand-blown glass factories, which operate about six months of each year and produce 40 per cent of the total window glass. Prior to the war and notwithstanding the great advantages of machine production, there were practically no sales of machine glass in foreign countries, the price understandings limiting the trade to our domestic market, and all the factories remaining idle for half of each year. A wider and a larger market appears obtainable through greater machine production and better selling facilities.

In the discussion of glass making in connection with the bottle and jar paragraph it was stated that these glass-making machines were of American invention, and that they did not sell those machines to operators in Europe, but leased them, with the understanding that none of their commodities should be sent over to the United States, and the producer of the machine agreed to limit his product to the domestic market. We have not just that statement regarding these machines which make window glass, but from this statement I infer that there must be some such understanding as that. At any rate, it is perfectly clear that the American market is absolutely controlled and dominated by these machine operators. Through their graciousness, they permit the handmade factories to operate to the extent of 40 per cent of the domestic consumption, and the hand makers—I do not know whether this was done deliberately for the purpose of having high profits for a certain period of the year or not—but the hand makers work only six months in the year, and evidently the prices have been raised up high enough so that the hand factories can make a sufficient profit in six months of the year to compensate them for what would be ordinarily considered a year's effort. These manufacturers have stated that they were satisfied with the present rates, and some of them thought that the present rates on the larger sizes might be reduced below the present law.

That is the situation we are dealing with; and the Finance Committee proposes to increase these duties from about 25 to 35 per cent above existing law. It may be that that will be satisfactory to the country; but where you have an industry supplying the American market, where the one great dominating producer is not complaining, where it is evidently making profits beyond the dreams of a Crœsus, manufacturing its share, which is 60 per cent, of American consumption by machinery, and where that machine turns out the glass eight times as fast as a man can make it, and when they all sell at the same price, it seems to me to be a very satisfactory arrangement to turn over to the machine producer 60 per cent of the American market, let him make that product for one-eighth what it costs the hand producer, and sell it at the same price.

That is the situation as I gather it from the information furnished by the Tariff Commission.

I read a little comment from the Tariff Commission:

While the American people have not as yet secured the expected results of machine production, the revolution in the production of window glass began when the cylinder-blowing machine produced glass commercially in 1905. The unrest then created culminated some years later in a bitter war of prices between the producers of handmade and machine-made glass.

It was feared that if the machines were a commercial success it would not be possible to produce handmade glass on a profitable basis. The entire industry became demoralized. Hand glass manufacturers sold the product for any price they could obtain. The skilled hand workers agreed to a sliding scale based on selling prices, and during the years 1912 and 1913 the average wage of single-strength blowers went down from 45 cents per 50-foot box to 15 cents per 50-foot box, or from upward of $6 per day down to $15 per week, or less than Belgian wages. The price war ended in a compromise, the machine company, after serious losses, reaching the conclusion, as stated by its general manager, that "from a business standpoint we thought it was much more profitable for us to be satisfied with a reasonable share of the country's business rather than to drive out operatives from an industry that had existed as long as this one had existed."

In 1914 a little over 8,000,000 boxes of window glass of 50 square feet each were manufactured in the United States and in 1916–17 about 9,000,000 boxes. About 60 per cent of this product was blown by machine and 40 per cent by the hand method. In Belgium window glass blown by hand is the rule. A machine blower in the most efficient American factories can blow five cylinders of window glass simultaneously, each nearly 39 feet long and 22 inches in diameter, in less time than an American or Belgian hand blower can blow a cylinder 5 feet long and 15 inches in diameter. The American machine blower is paid about $40 a week (1917), while American hand blowers average about $50 a week (1917). The Belgian hand blower does not receive half the wages of the American machine blower. The great advantage in the cost of production of American machine blowing over that of American hand blowing is apparent The machine factories could drive hand-blowing factories out of the business and they could readily produce all the window glass needed. Fear of a price war prevents the machine factories from operating to their full capacity. This was explained by the principal machine company in 1916 in its annual report (see p. 47, Glass Report of Tariff Commission):

"That so long as the company was securing what we considered a satisfactory portion of the going business it would be far more profitable to curtail its operations to the extent we did rather than attempt to operate to capacity and possibly precipitate a price war in the midst of the greatest export business we have ever had."

The effectiveness of machine production in the domestic and foreign market is practically nullified by the policy of restricting output to suit the requirements of hand production. Machine production is marketed under conditions that encourage the continuation of antiquated methods. Profits of machine production are based on the costs of production of handmade glass, selling prices being practically the same.

Mr. President, with such examination as I have been able to make of this question I would not try to destroy the existing condition. I think it would require a very much more careful study of the subject than I have been able to make; but it does seem to me that we are justified, under all the circumstances, in letting the industry so far as taxation is concerned remain where it is to-day. We have no competition from abroad, under existing law, to amount to very much. There is an importation of some of the smaller sizes of glass, but

what importations there are constitute, it seems to me, a healthy competition.

At any rate, it is apparent that with this industry controlled as it is now, with agreements existing as to the output, with the factories operating only six months in the year for the specific purpose of curtailing production, we know that one result and only one result can follow the increasing of this duty, and that is that the people who now control the industry would raise their prices high enough to prevent any competition which would affect their interests. There is no escape from that conclusion, and the manufacturers have said, what I desire to repeat, especially as regards the larger sizes, that the tariff on the larger sizes is satisfactory to the manufacturers. Some window-glass manufacturers have stated that without material injury to the industry the duties on the larger brackets might be reduced. Of course, that applies to the larger sizes, but instead of reducing the rates in those brackets the committee proposes to increase them.

In these smaller sizes it does not seem to me that there is any undue competition. At any rate, it does not appear that the American operators, either by machine or hand, are exerting themselves to avoid competition even in the smaller sizes and under existing law. When they can afford to operate all these factories, machine and hand, only six months in the year, how can anyone try to justify shutting out the small amount of importations which, if allowed to enter, would create healthy competition?

Mr. President, as I said, I do not want to disturb this industry. There is a great problem here, an economic problem, which ought to be solved in some manner; but I do not think this is the place to try to solve it. I do not want to injure the industry or interfere with existing conditions, but it does seem to me that all parties concerned should be satisfied with existing conditions, and I shall therefore move to amend these rates so that they will conform to existing law.

On page 42, line 10, I move to amend the proposed committee amendment by striking out "1⅛" and inserting "1."

Mr. SMOOT. Mr. President, when this paragraph was reached the Finance Committee asked that it go over. Certain members of the committee were not satisfied even with the House provisions, although they were reported to the Senate. A minority of the Republicans of the Finance Committee were bitterly opposed to the proviso put in by the House; that is, that "none of the foregoing shall pay less duty than 35 per cent ad valorem." It was reported to the Senate, and that 35 per cent was increased to 50 per cent, but upon consideration of it, after I had requested that it go over, the committee decided to strike out the proviso entirely. They have also reduced the House specific rates, with the exception of the first bracket.

The first bracket is on window glass not exceeding 150 inches. The value of that to-day is 6 cents a pound. The equivalent ad valorem of the 1¼-cent rate is 20 per cent.

Mr. POMERENE. The Senator speaks of it as being worth 6 cents a pound. Does he mean according to the American valuation?

Mr. SMOOT. No; the foreign valuation. Last year it was worth 10 cents a pound; but it has been reduced from 10 cents a pound to 6 cents, and that is the foreign valuation to-day.

Mr. POMERENE. In what countries?

Mr. SMOOT. In Belgium. Belgium is the great glass-producing country outside of America, and all our competition virtually comes from Belgium.

The next bracket we propose to reduce to 1¼ cents. The equivalent ad valorem is 28 per cent. The price of that glass is 6 cents per pound also.

The next bracket we propose to reduce to 1⅛ cents. The price of that glass is lower than the price of any other glass offered in Belgium to-day, and I think the pre-war price of this glass was lower than that of any other glass. I can not state why that is, but it is the fact. I take it, though, that it comes about because there is so much of it used that the competition is very keen. I think more than likely that is the cause, although I am not positive. The equivalent ad valorem for the 1⅛ cents is 33 per cent.

The next bracket we reduce to 1¾ cents. The present price of that glass is 6 cents and the ad valorem equivalent is 29 per cent.

The next bracket we reduce to 2 cents from the House rate, which is 3⅛ cents. The equivalent ad valorem is 33 per cent.

The next bracket we reduce to 2¼ cents. The value is 6 cents and the ad valorem rate is 38 per cent.

The rates provided for in the House text are the rates which were in the Payne-Aldrich law. They are altogether too high, and the committee recognized that and proposed an amendment, which the chairman of the committee has already suggested, to equalize as nearly as possible the relative cost in the production of the different sizes of glass falling under this paragraph.

I think myself we can make the machine-made window glass as cheaply in this country as it can be made anywhere in the world, but Belgium has an advantage of from 50 to 75 per cent in the wage scale alone. They make the glass in the same way we make ours. Their raw material is at hand, just as the raw material in this country is at hand, and it is a great deal cheaper there because of the cheaper labor. The manufacturers there have a freight rate from Belgium to the coast cities of the United States which is about one-third the freight rate from where the glass is manufactured in this country to the same cities.

Those are the only two reasons why there should be any duty at all on this glass, and that is the position the committee takes. The rates which the committee reports are the rates they think and believe will equalize the advantage which Belgium has over the American manufacturer, as far as this market is concerned. Does the Senator desire to offer his amendments now?

Mr. JONES of New Mexico. My attention has just been called to the fact that the committee amendments have not been acted upon.

Mr. SMOOT. That is what I was about to say, and I was going to suggest that if the Senator insisted on it I would ask that the committee amendments be withdrawn so that he might offer his amendments; but I think the best way would be to offer the committee amendments now.

Mr. JONES of New Mexico. In lieu of the proposed amendment I move to strike out, on line 10, "1⅛" and insert "1."

Mr. SMOOT. That would be in the second degree.

The PRESIDING OFFICER. The committee amendment has not yet been formally presented.

Mr. SMOOT. If the Senator will allow the committee amendments to be offered, and then offer his amendment as an amendment to the committee amendment, I think that would be the best way.

Mr. JONES of New Mexico. I think that would be the better parliamentary way to handle it.

Mr. SMOOT. I now move, on page 42, line 7, after the word "made," to insert "and for whatever purpose used." I suppose the Senator will not have any objection to that; but, by way of explanation, I want to say that those words are by way of amendment, put in here to overcome a ruling which has been made by the customs department that wherever glass has been cut it does not fall under this paragraph, but falls under the manufactures of glass and carries a rate of 60 per cent; that if a pane of glass 10 by 20 is cut in two and made 10 by 10 it takes the 60 per cent rate. This is to cure that situation.

Mr. JONES of New Mexico. The amendment is very appropriate.

The PRESIDING OFFICER. The Senator from Utah offers the following amendment on behalf of the committee.

The READING CLERK. On page 42, line 7, after the word "made" and before the comma, insert the words "and for whatever purpose used" and a comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

ATTORNEY GENERAL DAUGHERTY—THE MORSE CASE.

Mr. CARAWAY. Mr. President, in the interest of historical accuracy, I want to make a statement with reference to the Attorney General's connection with the Morse case. It becomes particularly necessary that I should do it now, because at the other end of the Capitol an investigation has just been denied. An article also which appeared in the Evening Star paper yesterday afternoon, written by a special news writer whom I do not have the honor to know, but who I am sure intended to be fair, makes it desirable that I shall make this statement.

Yesterday afternoon the Star carried the following statement:

President retains faith in integrity of Mr. Daugherty. Belief held Attorney General merely made poor defense.

In this statement appears, among others, this paragraph:

Senator WATSON—

Which refers to Senator WATSON of Indiana—

had communicated by telephone the fact that Senator CARAWAY had revived the Morse case. Mr. Daugherty, who had been hearing about the Morse case for 11 years, was not perturbed by it. In Ohio politics Mr. Daugherty has some violent opponents as well as stanch friends.

The skeleton of the Morse case has been rattled every time Mr. Daugherty has been in the public eye. When Mr. WATSON of Indiana told him it was up again, the Attorney General told him not to worry as he hadn't received a cent from Morse. Mr. Daugherty imagined that the conversation related to whether he had received any money, and he authorized Mr. WATSON to deny it. During the

course of the debate Senator WATSON went a step further and indicated that the Attorney General had denied his connection with the case altogether.

CALLED ERROR IN JUDGMENT.

In support of the contention that the Attorney General could not have claimed any such thing, administration supporters insist that Mr. Daugherty would never deny what had been common knowledge and what had been printed in the newspapers at the time of his connection with the Morse pardon. The error in judgment which Mr. Daugherty made in ignoring the Senate proceedings for nearly three weeks before issuing a statement of explanation is now freely admitted by the administration group, but this was due as much to Harry Daugherty's own feeling that nothing new had been developed and nothing injurious, as it was to the feeling of others in the administration circle who believed the whole thing a tempest in a teapot which would blow over if let alone.

There is reason to believe that the criticism which has swept the country because of Mr. Daugherty's belated explanation has not penetrated very deeply here. The view prevails that the incident soon will be passed by, and that the continued confidence of President Harding in Attorney General Daugherty will be demonstration enough that he does not think his friend did anything ethically unwise or morally wrong.

After reading that paragraph I shall read part of another:

There is something more than personal friendship and loyalty in Mr. Harding's attitude toward his lifetime associate and political mentor. It is true that to Harry Daugherty, more than anyone else, Mr. Harding owes his nomination at Chicago in 1920, which was equivalent to an election. It is true that Mr. Harding is under obligation to Mr. Daugherty, but it is also a fact that Mr. Harding knew in the fall of 1920 everything about the part Harry Daugherty played in obtaining a pardon for Morse under the Taft administration, and that he did not consider it a bar to the appointment of Mr. Daugherty.

The first statement on which I want to comment is the last one read. There is internal evidence in this article that it comes from an inspired source. It is the defense of the Attorney General by the Attorney General and the President of the United States. In it it is said that President Harding in 1920 knew all the relations of Daugherty to the Morse case, and, knowing it, he does not regard that as a disqualification for Mr. Daugherty to be Attorney General.

In the light of what is now known, if that statement is inspired, and I believe it to be, it means that the President knew when he named Mr. Daugherty as Attorney General that Daugherty and Felder perpetrated a fraud upon Taft when he was President and had procured a commutation by fraud from Taft of Morse's sentence. I say "if he knew." This paper was published yesterday, and it is the last defense of Daugherty and the administration, in which the statement is made that the President knew all the facts. If he did, he knew that Morse was doped in order to give the impression, when doctors should examine him, that he had Bright's disease when he did not have it.

If the President of these United States thinks that it is perfectly legitimate and ethical that an attorney shall practice a fraud upon the Executive of the Nation in order to procure a commutation of a criminal sentence, it is well that the country should know it. This article appearing in the Star, with every evidence of inspiration, says that the President knew all these things when he named Daugherty as Attorney General, and that he does not think it is at all to his discredit and does not think he has done anything unethical.

Let us read another paragraph from this inspired article:

If Harry Daugherty had come out immediately after his connection with the Morse case was mentioned in Senate debate by Mr. CARAWAY, of Arkansas, and said, "Yes; I was an attorney for Morse and helped get him a pardon—I was a private lawyer then and had a right to defend my client," no one would have thought any more about the incident. But in a telephone conversation between Harry Daugherty and Senator WATSON of Indiana a misunderstanding occurred.

But before commenting on that statement let me read another paragraph and comment on it.

But in a telephone conversation between Harry Daugherty and Senator WATSON of Indiana a misunderstanding occurred. This correspondent is presenting the version of the conversation which is told by friends of Mr. Daugherty.

In that statement is not a word of truth, but I do not think that the news writer who wrote it is responsible. He says this is a version that Daugherty's friends give out. He means to say, "This is what Daugherty told me to say to the country, that the Senator from Indiana, in a telephonic conversation with me, said 'CARAWAY has mentioned the Morse case, and we misunderstood each other in the telephonic conversation.'"

That is not what happened. I am not falling out with Mr. Lawrence, who wrote the article. I am sure that he wrote what the Attorney General told him, because the article carries every evidence of inspiration. It is coming from the Attorney General. It is intended to put the Attorney General's construction of the matter before the country in order to soften the matter for the Senator from Indiana, whose reputation for veracity stands destroyed if Daugherty be believed. It is therefore here asserted it was a telephonic conversation.

Let us see what the RECORD shows. It was not a telephonic conversation at all. I read from the CONGRESSIONAL RECORD of May 2, page 6175. I had mentioned in a speech I was making the Attorney General as having received a fee for procuring a pardon. I was talking about the President refusing to see some little children and said that they had no money to employ expensive counsel and therefore got no hearing. The Senator from Kentucky [Mr. STANLEY] interrupted me and said:

Mr. President, I am amazed at the statement of the Senator from Arkansas.

Then the Senator from Indiana [Mr. WATSON] said:

Mr. President, will the Senator permit an interruption?

I shall not read it all, but I said:

I have the floor and will permit an interruption, although I do not intend to lose the floor.

Then the Senator from Kentucky said:

If the Senator from Indiana will permit me—

After he had finished his statement and I said:

Mr. President, I am proud to say that the kind of lawyers we license to practice in my State do not have to be penalized to prevent them from doing a thing like that.

Mr. WATSON of Indiana then said:

Will the Senator permit an interruption?

I said that I would. Then the RECORD proceeds:

Mr. WATSON of Indiana. We did not hear over on this side what it was that the Senator said about the Attorney General. Will he kindly repeat it?

Mr. CARAWAY. I know the Senator did not hear it, because all the Senators over there got busy in order not to hear what was being said. I said that I understood that the greatest achievement of the Attorney General was that he got a pardon for a criminal, and got a fee of $25,000 for doing it.

Mr. WATSON of Indiana. Does the Senator mean since he became Attorney General?

Mr. CARAWAY. Oh, no.

Mr. WATSON of Indiana. May I further question the Senator?

Mr. CARAWAY. Yes, sir.

Mr. WATSON of Indiana. To what case does the Senator refer?

Mr. CARAWAY. The Morse case.

Mr. WATSON of Indiana. Does the Senator charge on his responsibility as a Senator that Mr. Daugherty, even before he was Attorney General, received a fee for helping to get Mr. Morse out of the penitentiary?

Mr. CARAWAY. I charge that that was a matter of public information. I was not, of course, present when any contract was made. I will say that I have heard it so often that I think it is true, without question.

Mr. WATSON of Indiana. The Senator, then, accepts a rumor as true, and charges it on the floor of the Senate?

Mr. CARAWAY. Does the Senator from Indiana say that it is not true?

Mr. WATSON of Indiana. I do.

Mr. CARAWAY. On the Senator's own personal knowledge?

Mr. WATSON of Indiana. I do.

Mr. CARAWAY. That Mr. Daugherty did not represent Morse?

Mr. WATSON of Indiana. I did not say that he did not represent Morse; but I say on my knowledge of the situation that he received no fee for the service rendered, nor did he represent Morse directly, according to my understanding.

Mr. CARAWAY. Did he indirectly represent him?

Mr. WATSON of Indiana. No.

Mr. CARAWAY. Why did the Senator say, then, that he did not directly represent him?

Mr. WATSON of Indiana. I meant by that that my understanding of the situation is that he was representing his client, and that the testimony of Mr. Morse was necessary, and that in that way he had contact with Mr. Morse; but he did not get him out of the penitentiary; he had not anything to do with getting him out of the penitentiary; and he received no fee for getting him out of the penitentiary.

Mr. CARAWAY. How does the Senator know that?

Mr. WATSON of Indiana. I know it from the language of the Attorney General.

Mr. CARAWAY. Did he tell the Senator that he did not?

Mr. WATSON of Indiana. He did.

Mr. CARAWAY. That he never got a cent for it?

Mr. WATSON of Indiana. Not for that.

Now, that disposes of the statement that the Attorney General now makes that the reason they misunderstood each other was that they were having a telephonic conversation or that he was told that I had "mentioned the Morse case," and then Senator WATSON of Indiana had gone to the telephone and called up the Attorney General and said: "CARAWAY is talking about the Morse case again," or that the Attorney General then said, "I did not get anything out of it," or that the Senator from Indiana had then made his statement. There was no telephonic conversation.

Oh, Mr. President, it goes a bit further than that. The Attorney General, when he wants to put his "side" of this controversy to the country, ought not to deceive the newspaper men as he had deceived the Senator from Indiana. He caused the Senator from Indiana to make a statement here on the floor of the Senate that subsequent events show was entirely untrue, although I am sure the Senator from Indiana believed it was true when he repeated the assurance given him by the Attorney General that he had nothing to do with the Morse case—I know that he did, because he is an honest man. Now the Attorney General has caused a newspaper man to say "there was a telephonic conversation" and the misunderstanding arose in that way. He ought to be candid with his friends when they are trying to "set him right."

But to show how wholly absurd that statement is, reading on down in the colloquy, I asked the Senator from Indiana [Mr. WATSON] this question, all this being in the same colloquy:

When did the Senator discuss this matter with the Attorney General?
Mr. WATSON of Indiana. On various occasions.

Not one time, not over the telephone, but on various occasions. Then I asked the question:

How came the Senator to discuss it with the Attorney General?
Mr. WATSON of Indiana. Because I had heard the rumor.
Mr. CARAWAY. Did the Senator believe it?
Mr. WATSON of Indiana. The rumor?
Mr. CARAWAY. Yes.
Mr. WATSON of Indiana. I did not.
Mr. CARAWAY. Then why did the Senator go to the Attorney General with it, if he did not believe it?
Mr. WATSON of Indiana. Because I am the kind of a man that if anyone of my friends is involved in any trouble I go and talk to my friend about it.
Mr. CARAWAY. And the Attorney General told the Senator it was not true?
Mr. WATSON of Indiana. It was not true.

Now, that is one more hoax laid to rest until to-morrow. A Representative from Kansas gave out an interview in the Daily News the other day in which he impugned my motives in this matter. I had no objection to his doing so. He is the man who pulls his forelock down between his ears and insults the memory of Bobbie Burns by pretending he resembles that great poet. He is the man who put in his pocket the rule to investigate Daugherty, which his committee had ordered him to report, and refused to report it. Of course, his statement was absolutely untrue and he doubtless knew it at the time he made it, but that does not detract from his reputation, as it is established.

I am going to say this, and I am saying it without heat or feeling because it is not worth that—that when anyone says that any information I have used in this matter came from anyone who was or is interested in anyone who was indicted or that is about to be indicted, either one of two things is true—he is absolutely without information or is telling a willful falsehood, because not a line of it came from that source. That will not, however, keep some folks from repeating it. I am conscious of that. But I shall say it just as plainly as I know how on any occasion.

This article from which I read says that this misunderstanding between the Attorney General and the Senator from Indiana [Mr. WATSON] came about because the Senator from Indiana had a telephonic conversation with Daugherty and had misunderstood or misconstrued his remarks. Those are two statements, and in each one there is something that is not true. First, the Senator from Indiana, as I have repeated over and over again, did not go to the telephone and call the Attorney General and advise him that the Morse case was up.

The Senator from Indiana was on the floor when I mentioned the Morse case. He rose and had to ask what case I was talking about. I told him the Morse case. Then he immediately entered his positive denial that the Attorney General had anything to do with the Morse case, and based his reason for the denial upon repeated conversations he and the Attorney General had had about the matter. Therefore, there is not any use now to offer that explanation further.

The Attorney General, I want to repeat, ought to be candid. He has apologists in the Senate and out who want to condone his offense, who rush to his defense when he is mentioned. He ought, in God's name, to tell them the truth one time, so that every time they offer a defense for him they may not utter a statement that is not true.

This article, as I have said, makes a statement that is not true; and yet I am as sure as I am of anything that the Attorney General told the writer of the article that it was true, and he, the writer, believed it. I am not impugning the writer's wish to tell the truth, because I am sure that he was repeating what the Attorney General told him was the truth. He was quoting Daugherty's explanation by way of apology to the Senator from Indiana. It says:

During the course of the debate Senator WATSON went a step further and indicated that the Attorney General had denied his connection with the case altogether.

The Senator from Indiana did not indicate it; he stated it positively.

Now, here are two statements. The Attorney General said he had nothing to do with the Morse case and that he did not get a cent out of it. In his letter of the 26th of May the Attorney General repeats that part of the statement. It happens to be as incorrect as the other statements he has made about this matter, as I shall show in a minute. I read now from a letter that the Senator from Wisconsin [Mr. LENROOT] put into the RECORD from H. M. Daugherty, Attorney General, of May 26. It appears on page 7710 of the RECORD of that date. The last paragraph reads:

As for compensation, I never received anything from Mr. Morse personally. All I ever received from anybody in connection with the Morse case, both civil and criminal, was about $4,000 advanced to me by Mr. Felder, and was about half enough to pay my necessary expenses and disbursements connected with over a year's active investigation, preparation, and service in the cases.

I have here what purports to be an interview with Thomas B. Felder, in which it is stated:

Flat and unequivocal denial that Attorney General Harry M. Daugherty "ever received one penny" of compensation for his efforts in behalf of getting Charles W. Morse released from Federal prison was made here to-day by Col. Thomas B. Felder, Georgia attorney, the Attorney General's partner in the famous proceedings.

Felder admitted that he (Felder) received a retainer of $5,000 and $1,000 expense money from Morse, "but this was paid," he said, "long before H. M. Daugherty had any knowledge of or connection with the case."

Colonel Felder declared he made several unsuccessful attempts to persuade the Attorney General to accept some compensation in the Morse case—chiefly stocks in one of Morse's enterprises—but each time the Attorney General refused to accept it.

The Attorney General wrote a letter which has been referred to before, but from which I am going to quote again. It may be a little more informative to lawyers than to other people, because lawyers know what a retainer means. Every lawyer knows that a retainer is not a part of the fee that he is to get for actual services rendered, but is the earnest money that is given him in order to induce him to accept the case of the litigant or to refrain from engaging on the other side of the litigation. Here is Daugherty's letter. It is authentic, and it is dated April 30, 1913:

I inclose you herewith copy of the letter setting forth the contract you made of August 4, 1911, with Mr. Felder for his services and mine. You will observe that I was correct in the statement that there was a balance due of $25,000 when you were commuted.

Everybody knows that "a balance" means that some part of a debt has been paid; that something has been received. Mr. Daugherty does not say that "the entire fee and compensation that you promised to pay yet remains unpaid," but, "you will observe that I was correct when I stated that there is yet a balance due. Over and above what you have paid you still owe $25,000."

Now, in the face of that statement, for Attorney General Daugherty now to say that he got nothing from Morse, and for Felder to say that the Attorney General got nothing from Morse borders upon the ridiculous; and certainly it is not a candid statement.

But let us see what was contained after the preliminary sentence in the letter of August 4, 1911, which Felder wrote to Morse and which Daugherty inclosed in his letter to Morse of April 30, 1913. Following the opening paragraph appears this statement by Felder to Morse:

1. You are to pay Hon. H. M. Daugherty a retainer of $5,000, and the actual expenses incurred by him in looking after your matters. Expenses not to exceed $1,000.

That would make $6,000.

2. I will pay such expenses as I may incur in connection therewith.
3. You are to direct counsel—

I will skip that and go down to the next paragraph.

4. We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for a pardon.

So they had this contract with Morse: First, "you are to pay Harry Daugherty $5,000 as a retainer"—that is, he must receive that before he acts at all—and $1,000 which is to be expense money, and then, if we get you commuted, you are to pay both of us $25,000, which is to be the fee. Felder then says, "I am to pay my own expenses."

In view of the circumstance for Daugherty now to say that he got no compensation in the case compels the statement that he lacks candor.

I have here the CONGRESSIONAL RECORD of May 22, 1922, on page 7378 of which appears a letter written by Colonel Felder, to which I desire to refer. The colonel, as we know, is a very free letter writer; he has written several letters to me. In his interview already quoted by me he says the $5,000 retainer fee and $1,000 for expense money were paid to him in advance of Daugherty coming into the case, but here is his contract that Morse signed on the 4th day of August, 1911, from which it appears that he was to pay Hon. H. M. Daugherty a retainer of $5,000 and the actual expenses incurred by him in looking after your matters. Expenses not to exceed $1,000. That makes $6,000.

2. I will pay such expenses as I may incur in connection therewith.

Felder was not to get any retainer; he was not to get any expense money; he was to get his half of the $25,000 contingent

upon getting a commutation or pardon for Morse. Daugherty was to get $6,000; $5,000 as a retainer and $1,000 expense money. I now quote from the letter which Colonel Felder wrote to Leon O. Bailey, Hanover National Bank Building, New York, N. Y., dated October 12, 1917, and which was written from Washington, D. C.:

This decision was communicated—

He had been referring to the refusal of the President to grant a pardon—

This decision was communicated by Mr. H. M. Daugherty and myself to Mr. Morse, who had agreed to pay $6,000 cash to cover expenses—

That indicates he is mixing the two accounts, for there was a $5,000 contingent fee and $1,000 expense money—

to cover expenses (this sum was paid)—

That is what Felder said—

and $25,000 conditional upon our obtaining his release from the penitentiary.

In view of Daugherty's letter in which he said that Morse would observe that he was correct that only $6,000 had been paid, because the balance due was $25,000. That is what it means—"You owe us $25,000, and you will see from this contract that I was right." He could see that from the contract only in this way—I refer again to Felder's letter to Morse—

1. You are to pay Hon. H. M. Daugherty a retainer of $5,000 and the actual expenses incurred by him in looking after your matters. Expenses not to exceed $1,000.

* * * * * * *

4. We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for pardon.

That was the contract, and Daugherty says:

You will observe that I was correct in the statement that there was a balance due of $25,000 when you were commuted.

The only way he could observe that was from the contract and from the fact that he had paid the retainer of $5,000 and the expense money of $1,000. That is the payment Harry Daugherty got—$6,000—because it will be seen from the contract which Felder sent to him that Morse was to pay $6,000, $5,000 as a retainer, $1,000 expense money, and $25,000 as a fee.

Now, for the Attorney General to say that he got nothing is absolutely futile, because everybody who can read will know it is not true.

But that is not all. I recall, further, that Mr. Daugherty now says, as I read a few moments ago from his letter, that he never got a penny from Morse personally, that all he got was $4,000 from Felder, but Felder in this interview says:

Colonel Felder declared he made several unsuccessful attempts to persuade the Attorney General to accept some compensation in the Morse case—chiefly stocks in one of Morse's enterprises—but each time the Attorney General refused to accept it.

Further along in this interview, which, if I may be permitted, I desire to put in the RECORD, Felder says that Daugherty never got a penny out of it. In 1917 he says they got $6,000, and Daugherty in 1922 says he got $4,000 from Felder, and Felder says Daugherty refused every time he offered anything to him. Well, at least they would do well to hold a conference before they give out their next statement.

Mr. President, I think that matter has been so thoroughly gone over that it is settled. The Attorney General and his apologists must fall back upon some other statement with reference to whether Daugherty got anything out of the Morse case. In this connection it is amusing to note the statement of the Senator from Indiana—and I believe he was telling the truth about it—that not only did Daugherty not get anything out of this case but that he was not even promised anything. I asked him this question:

Let me ask the Senator—

That is, the Senator from Indiana—

whether this was the truth then—that he tried to get that fee, and it was so large that the prisoner would not pay it?

Mr. WATSON of Indiana. Oh, no; nothing of that kind, of course.

And yet here is Daugherty's letter dunning Morse for exactly $25,000, and here is Felder's letter in 1917 saying that Morse would not pay it, and Daugherty cussed him out for everything he could think of, and denounced him because he would not pay it; and yet the Senator from Indiana, reporting what the Attorney General had told him, says that there is not anything in the statement that he ever tried to get a fee out of the Morse case.

Let me, however, call attention to another phase of the Attorney General's and Felder's connection, Mr. President. Here is a letter that came to me on the 26th of last month. It was handed to me on the floor of the Senate, and its significance did not dawn on me at the time. I want to read two paragraphs from it. It is written by Col. T. B. Felder. The letterhead is—

FELDER, CHOROSH & M'CROSSIN.

Thomas B. Felder, William H. Chorosh, Edward J. McCrossin, Benjamin Shapiro, Counselors at Law, 165 Broadway, New York. Cable address, "Felderlaw." Phone, Cortland 7986.

He says:

I note that from day to day you continue your attacks upon the Attorney General and myself.

The Attorney General holds a public office, and I assume that you have a right to attack him as often and as viciously as you see fit. I am a private citizen engaged in the practice of law. I have been so engaged since I was 18½ years old. I have endeavored from the date of my admission to the bar to live up to the high standards and ideals of my profession. I can truthfully say that I have never, under any temptation, committed consciously an unprofessional act.

And so on. I just want you to know how highly he speaks of himself; and then he says that in view of that fact he does not see how I can say these cruel things about a gentleman. I want to assure him that I did not; but here is the important thing:

H. L. Scaife was employed in the Department of Justice. He resigned. The Senator from Ohio [Mr. WILLIS] and I fell into the error of thinking he had been discharged, and the Senator from Ohio said he, Scaife, had that bitterness that came from being discharged. He was not discharged. He resigned because the Attorney General would not prosecute certain cases that he had been set to investigate, and he believed they were to be whitewashed, so he resigned. He then furnished information on which WOODRUFF and JOHNSON, two Republican Members of the House, made speeches. Then later Colonel Felder came to Washington. He sent an agent to hunt up Captain Scaife, and asked him to call on him, Felder, in his room in the Shoreham Hotel. Scaife went, and Felder said: "I come to you at the request of the Attorney General. I represent the Bosch Magneto people—not the people that now own it, the American people, but the Germans who owned it before it was seized by the Alien Property Custodian. I represent them, and the Attorney General wants me to hire you to act with me to recover this property for them, and therefore I have come to employ you." Scaife was offered a substantial sum to engage in this matter. He evaded the offer. Felder said: "I have already had a talk with the Attorney General. We agree. I have talked for an hour and a half with Colonel Goff, who is handling this Bosch Magneto matter, and we agree. The Attorney General only wants me to hire you in this matter, and then it is all right."

Captain Scaife, I want to repeat, was the man who made the investigation, or one of them. He was the man that the Attorney General must rely upon if he successfully resisted a suit by the German claimants of this property; and at the request of the Attorney General Felder tried to hire away from the Government the man who could have been most helpful to the Government or most hurtful to it.

That statement never was denied. It went into the RECORD on the 5th day of May, 1922, and is there until to-day undenied. Neither the Attorney General nor Felder ever denied it. Felder wrote me this letter, and it contains his plea of guilty and avoidance. He says:

It is inconceivable to me—

And I beg the pardon of the Senator from Georgia for putting it into the RECORD—

that in the light of the facts that any United States Senator, save and except TOM WATSON, could make the charges against a gentleman that you made against me in connection with both the Morse and Scaife matters.

As I remarked awhile ago, I never talked about a gentleman in this case at all.

As to both matters I feel that I have not only clean hands but a clear conscience. I have fully discussed the Morse situation heretofore—

That is true. He has given out four different statements, every one of them false and neither one of them true.

I have fully discussed the Morse situation heretofore, and I now desire to take up with you the charges in relation to the Bosch Magneto case. You charge that I had been employed by the conspirators to protect them against punishment.

I never made any such charge. I said that he and the Attorney General had gone into an agreement to defraud the Government.

As a matter of fact, I was employed not by the American Bosch Magneto Co., the company that bought the seized property, but by the Bosch Magneto Co., the victim of the alleged conspiracy—

That is, he does not represent the company which has the property, but he is employed by the German owners who did own it prior to the time the Alien Property Custodian seized it

because it was the property of alien enemies. He represents these foreign owners—

the victim of the alleged conspiracy by the company—

That is, by the German company—

in connection with whose affairs it was charged on the floor of both the Senate and House—and I think the charges are correct—that the Government had been defrauded. The interest of my client and of the Government is in complete harmony and accord. If you entertain the slightest doubt as to this, I would suggest that you send for Major Scaife and get the facts from him at first hand. I am also ready to have the client to whom I referred in my letter to Congressman WOODRUFF call upon you and explain the full facts.

That is, he claims that he can show by his client that it would be to the Government's interest to let the German owners of the property regain it. The Government having sold it, and therefore being unable to deliver it, would be compelled to pay to these aliens whatever it is worth. I saw Major Scaife yesterday, and he said, "Why, the statement of Felder is absolutely untrue." He said that if the people that Felder now says he represents, the old German owners, were to recover, it would mean that the Government would have to pay anywhere from two to five million dollars, and the former German owners would be the profit takers and the American taxpayers would be the victims; and yet Felder does not deny, nor has the Attorney General denied, that they entered into an agreement whereby Felder was to represent these alien enemy owners whose property had been seized because they were alien enemies and sold to an American company; that he and the Attorney General had entered into an agreement whereby Felder was to represent one side, and of course the Attorney General was representing the other, and the taxpayers were to pay whatever the judgment might be; and he says now that there is no incompatibility between his interest and the Government's position.

I rather think he meant to say that there was no incompatibility between the interest of the Attorney General and himself, that they would profit, but, of course, the American people would pay the bill, whatever it was.

I overlooked the significance of that letter, because it opened with a plea and closed with a threat. He said this in his conclusion:

The only motive that I have is to leave to my young son the name that I bear as unsullied and as untarnished as I received it. I do not propose to be further vilified or slandered by you or any other man under Senatorial immunity. I am requesting man to man that you immediately cease your vilification of me. I make this request in seriousness and sincerity.

I am,

Very truly yours, THOMAS B. FELDER.

I did not refer to that before, because I did not want to make my friends uneasy for fear I was going to die prematurely, and, therefore, when I saw that threat I threw the letter in the desk and waited to see what would happen. I am not talking under Senatorial immunity, because, to satisfy this punctilious gentleman who has a colonel's prefix—though whether he got it by marriage or like he got into the Morse case, I do not know—I said some time ago, in order to get rid of answering letters, that I would waive all personal immunity. I do not intend to waive a legal right and be sued by a blackmailer, but personally I waived quite a long time ago any immunity that Mr. Felder thought I had, and that waiver stands now, and I am still talking about him, and he has not called on me yet, and is not coming. That is settled. But the reason why I read that letter is to show that here is one party to that agreement who has the effrontery to say that while he and the Attorney General had entered into the conspiracy as Scaife said he told him they had, yet that there was nothing incompatible in their relationship one with the other; that the Attorney General, representing the Government, and he, who was to sue the Government for the alien owners of this Bosch magneto, were representing the same interest, and, therefore, they could conspire together and hire each other's witnesses away from one another without any impropriety.

This inspired article says that the President thinks that this is a tempest in a teapot and will soon blow over, that the American people will soon forget, and that the President has the utmost confidence in his friend, who made him President, and does not think he [Daugherty] did anything ethically unwise or morally wrong. The article then says:

The paradox of the situation which is as much a mystery to the administration as people outside of it is why the Attorney General should be attacked to-day for helping to free Morse a decade ago when to-day the Department of Justice is doing everything in its power to put Morse back in jail.

I do not believe that there is anything paradoxical about it. Morse never paid his fee, so why should he not go to jail? He got out under a false representation that he was sick, and the Attorney General helped him perpetrate the fraud, and then he, Morse, perpetrated a fraud on the Attorney General, and would not pay his fee. I do not blame the Attorney General for wanting to put him back in jail, and I do not know why it should be said that it seems paradoxical that the Attorney General is pursuing him now. He is the only man the Attorney General is pursuing that I know anything about.

Then the article makes this further statement:

All sorts of conflicting rumors are afloat as to the purpose of the attack. Senator CARAWAY is held immune from any connection with the influences at work to discredit Mr. Daugherty, but it is charged again and again that information is being furnished Democratic Senators in the hope that they will keep up such a bombardment of the Department of Justice as to stave off possible prosecutions of persons prominent in a previous administration.

Whoever told the writer that silly falsehood ought to apologize to a reputable newspaperman for having him repeat it. He says "Democratic Senators." I do not know what has been furnished to other Democratic Senators. Not a line has come to me from anybody interested; and I want to call attention to the silliness of that kind of a smoke screen. The Attorney General was not doing a thing on earth but sitting up and drawing his salary and rewarding his friends and giving out interviews that the Civil Service ought to be abolished in order to help his friends into office. He was not prosecuting anybody. He was not investigating anybody. Everything was as serene as a spring day until this fight on the Attorney General commenced, and the papers to-day say that the Attorney General has 40 rooms to hold the lawyers that he had gotten together to prosecute the criminals. If any persons are trying to shield criminals by stirring up the Attorney General, they exercise no more intelligence than the Attorney General did when he gave out his interview about not having a thing to do with Morse, because if anybody goes to jail it will be because people have attacked the Attorney General and made him get busy.

He was not doing a thing. He was not threatening to do anything. Since the attack came he got $500,000, using part of it to hire a man away from a local paper here to be his publicity agent, and give out these big scare heads about Democrats going to jail. He took part of it to investigate Members of Congress who talked about it. I presume that is where the money came from; I do not know where he got the funds if they did not come from that source. That is his investigating fund. But up until this attack commenced he was not prosecuting anybody anywhere, and that silly statement that somebody is trying to throw up a smoke screen does not do credit to their intelligence. I have a 6-year-old boy, and if he would believe a thing like that I would send him to a school for the feeble-minded. He could not learn anywhere else.

Mr. President, I ask unanimous consent to incorporate in the RECORD the article in yesterday evening's Star, from which I read, and the article from the Times containing the conflicting statements of Felder and Daugherty, if there is no objection.

The VICE PRESIDENT. Without objection, it is so ordered.

The articles referred to are as follows:

PRESIDENT RETAINS FAITH IN INTEGRITY OF MR. DAUGHERTY—BELIEF HELD ATTORNEY GENERAL MERELY MADE POOR DEFENSE—KNEW OF MORSE CASE BEFORE APPOINTMENT—RUMORS CREDIT ATTACKS TO PERSONS DESIROUS OF HAMPERING WAR FRAUD PROBES.

(By David Lawrence.)

Attorney General Daugherty will not resign. President Harding has not asked him to do so and he never will. Mr. Harding has unlimited confidence in the integrity of his Attorney General and does not believe him guilty of anything wrong in the Morse case.

This is the inflexible attitude of the administration as revealed to-day after the President and his advisers returned from a cruise on the Mayflower, where the impression caused by the attacks in the Senate against the Attorney General was the subject of informal discussion.

Practically everybody in the administration group admits that Mr. Daugherty handled his own defense poorly and that the mix up between him and Senator WATSON of Indiana was most unfortunate. But on the basis of what has happened to date the administration feels no less confidence in Mr. Daugherty, nor does it feel that when all the facts and influences attempting to injure the Attorney General are exposed in the forthcoming war prosecutions the public will have an unfavorable impression of the man at the head of the Department of Justice.

PRESIDENT KNEW OF MORSE CASE.

There is something more than personal friendship and loyalty in Mr. Harding's attitude toward his lifetime associate and political mentor. It's true that to Harry Daugherty more than anyone else Mr. Harding owes his nomination at Chicago in 1920, which was equivalent to an election. It's true that Mr. Harding is under obligation to Mr. Daugherty, but it is also a fact that Mr. Harding knew in the fall of 1920 everything about the part Harry Daugherty played in obtaining a pardon for Morse under the Taft administration and that he did not consider it a bar to the appointment of Mr. Daugherty.

If Harry Daugherty had come out immediately after his connection with the Morse case was mentioned in Senate debate by Mr. CARAWAY, of Arkansas, and said: "Yes; I was an attorney for Morse and helped get him a pardon—I was a private lawyer then and had a right to defend my client"; no one would have thought any more about the incident. But in a telephone conversation between Harry Daugherty and Senator WATSON of Indiana, a misunderstanding occurred. This correspondent is presenting the version of that conversation which is told by friends of Mr. Daugherty.

Senator WATSON had communicated by telephone the fact that Senator CARAWAY had revived the Morse case. Mr. Daugherty, who had been hearing about the Morse case for 11 years, was not perturbed by it. In Ohio politics Mr. Daugherty has some violent opponents as well as stanch friends. The skeleton of the Morse case has been rattled every time Mr. Daugherty has been in the public eye. When Mr. WATSON of Indiana told him it was up again the Attorney General told him not to worry, as he hadn't received a cent from Morse. Mr. Daugherty imagined that the conversation related to whether he had received any money, and he authorized Mr. WATSON to deny it. During the course of the debate Senator WATSON went a step further and indicated that the Attorney General had denied his connection with the case altogether.

CALLED ERROR IN JUDGMENT.

In support of the contention that the Attorney General could not have claimed any such thing, administration supporters insist that Mr. Daugherty would never deny what had been common knowledge, and what had been printed in the newspapers at the time of his connection with the Morse pardon. The error in judgment which Mr. Daugherty made in ignoring the Senate proceedings for nearly three weeks before issuing a statement of explanation is now freely admitted by the administration group, but this was due as much to Harry Daugherty's own feeling that nothing new had been developed, and nothing injurious, as it was to the feeling of others in the administration circle who believed the whole thing a tempest in a teapot which would blow over if let alone.

There is reason to believe that the criticism which has swept the country because of Mr. Daugherty's belated explanation has not penetrated very deeply here. The view prevails that the incident soon will be passed by, and that the continued confidence of President Harding in Attorney General Daugherty will be demonstration enough that he doesn't think his friend did anything ethically unwise or morally wrong.

The paradox of the situation which is as much a mystery to the administration as people outside of it is why the Attorney General should be attacked to-day for helping to free Morse a decade ago when to-day the Department of Justice is doing everything in its power to put Morse back in jail. It is a fact that when the Shipping Board developed its case against Morse and asked the Attorney General about it he unhesitatingly told the Shipping Board to go ahead and then and there mentioned his early connection with the Morse case and the possibility of misunderstanding if he himself were to undertake the prosecution personally. He authorized, however, the appointment of a special Assistant Attorney General to handle the prosecution of Morse, and it was not until several weeks after this was done that the attack came in the Senate.

All sorts of conflicting rumors are afloat as to the purpose of the attack. Senator CARAWAY is held immune from any connection with the influences at work to discredit Mr. Daugherty, but it is charged again and again that information is being furnished Democratic Senators in the hope that they will keep up such a bombardment of the Department of Justice as to stave off possible prosecutions of persons prominent in a previous administration. The air is full of these charges and countercharges, but the answer of the administration is a decision to go ahead with the prosecution of Morse and everybody else who is now indicted or may be for connection with war contracts.

—

T. B. FELDER SEES PLOT TO INJURE ATTORNEY GENERAL—GEORGIA ATTORNEY SAYS HE GOT ONLY FEE PAID BY BANKER FOR HIS RELEASE.

The names of 23 men were drawn to-day by the jury commission to serve as an additional grand jury which will hear and investigate the evidence to be laid before them by Attorney General Daugherty concerning alleged fraudulent war contracts. The talesmen summoned will appear before Chief Justice McCoy in the District Supreme Court at 9 o'clock Thursday morning, when they will be examined for qualification.

[By International News Service.]

NEW YORK, May 23.—Flat and unequivocal denial that Attorney General Harry M. Daugherty "ever received one penny" of compensation for his efforts in behalf of getting Charles W. Morse released from Federal prison was made here to-day by Col. Thomas B. Felder, Georgia attorney, the Attorney General's partner in the famous proceedings.

RETAINER WENT TO FELDER.

Felder admitted that he [Felder] received a retainer of $5,000 and $1,000 expense money from Morse, "but this was paid," he said, "long before H. M. Daugherty had any knowledge of or connection with the case."

Colonel Felder declared he made several unsuccessful attempts to persuade the Attorney General to accept some compensation in the Morse case—chiefly stocks in one of Morse's enterprises—but each time the Attorney General refused to accept it.

Neither did Daugherty sign the contract of August 4, read in the Senate by Senator CARAWAY (Democrat), of Arkansas, under which Morse agreed to pay $25,000 to Felder and Daugherty for procuring his release, Felder said to-day.

"I sent a duplicate copy of the contract to Daugherty with a request that he sign it," Felder said, "but so far as I know he never considered he was a party to this contract, and from time to time he declined to accept anything to which I thought he was entitled."

TELLS OF NEW YORK CONFERENCE.

Felder said his files showed that he came to New York on April 13, 1913, at Daugherty's request, for a conference with Morse over the litigation of the Metropolitan Steamship Co., one of Morse's enterprises.

"The day after this conference," Felder said, "I called at the office of Charles W. Morse and demanded payment in my own behalf of the $25,000 contingent fee. Morse said he did not have the money, but offered me a block of stock in the Morse Securities Co., which I accepted. I was assured the stock was valuable and dividends were being paid, but none were paid.

"Some time later, realizing the stock was useless, I again called on Morse and demanded that he take back the stock and pay my fee. He admitted the stock I held was worthless, and turned over to me 2,000 shares of stocks that had a par value of $10,000 a share. From this stock I secured some dividends, but the stock began to decline soon and is now worthless.

"Several times I offered one-half of what I secured to Mr. Daugherty, and each time he refused to accept it.

"I make the assertion boldly that this groundless assault on Daugherty is the result of a deliberate conspiracy entered into by people who have plundered the Government to discredit him."

WRITES LETTER TO WATSON.

Felder to-day set forth his position exonerating the Attorney General in a letter to Senator JAMES E. WATSON, Republican, of Indiana, who was the first to deny on the Senate floor that Daugherty had ever received any compensation in the Morse case.

Colonel Felder further charged that the effort "to get Daugherty" is connected with the Government's investigation of the notorious Bosch Magneto case.

In a statement to-day Felder said:

"Martin E. Kern, of Allentown, Pa., a German alien who served three terms in the penitentiary, bought this property, and he and his assistants benefited millions of dollars.

"The Department of Justice actively took up investigation of this case, and failing to deter the Department of Justice, the people behind that case have inaugurated a campaign with Senator CARAWAY and Senator TOM WATSON, of Georgia, to discredit and stigmatize the Attorney General.

"Senator CARAWAY stated on the floor of the Senate that I was employed in the Bosch Magneto case to protect conspirators. This statement was absolutely false."

—

WICKERSHAM, PALMER, AND MCADOO LINKED IN DAUGHERTY EXPOSE.

[By William K. Hutchinson, International News Service.]

Four Cabinet officers from three successive administrations were linked up to-day with the Morse case, which already has aroused political Washington to fever heat.

Three Attorney Generals and a Secretary of the Treasury—Wickersham, Palmer, Daugherty, and McAdoo—named already on the floor of the Senate, are facing systematic delving into their records by political opponents. Threats of future developments in the ever-widening circles of the case are rivaled only by the records already made public.

CARAWAY "JUST STARTING."

Senator CARAWAY, Democrat, of Arkansas, announced to-day his attacks on Harry M. Daugherty, Attorney General in Harding's Cabinet, and George W. Wickersham, Attorney General in Taft's Cabinet, were "just starting."

On the other hand, Senator MOSES, Republican, of New Hampshire, declared developments in the case would "seriously embarrass" William Gibbs McAdoo, Secretary of the Treasury, and A. Mitchell Palmer, Attorney General in the Wilson Cabinet.

The revelations to date involved these Cabinet officers as follows:

Attorney General Daugherty, charged with knowledge of fraud perpetrated upon President Taft in the procuring of a pardon for Charles W. Morse, New York banker, in 1911, charged with having accepted a $5,000 retainer from Morse for his work in procuring the pardon. Charged with signing a contract to obtain Morse's release for $25,000.

Attorney General Wickersham, charged with knowledge of fraud in the procuring of a pardon for Morse.

Former Secretary of the Treasury McAdoo, charged with accepting a fee from Morse in connection with a Shipping Board case during the war.

Former Attorney General Palmer, charged with "embarrassing deeds" in connection with the sale of the Bosch Magneto Co., in which Morse was interested.

REPUBLICANS ARE WORRIED.

Born of a denouement in the Senate by Senator CARAWAY, the Morse case has usurped all talk in Senate corridors. Republicans to-day were plainly worried, awaiting the "next blow" from CARAWAY. On the Democratic side the threat of Senator MOSES that the publishing of certain records in the Morse and Bosch Magneto cases "would seriously embarrass and impugn the records" of Palmer and McAdoo had a disheartening effect.

CARAWAY first charged that Daugherty had conspired with Thomas B. Felder, an Atlanta pardon attorney, to obtain Morse's release. Denials, by Republican Senators, resulted in CARAWAY producing a "photostatic copy" of the purported "pardon contract" signed by Daugherty, Felder, and Morse. CARAWAY continued his attack by charging Daugherty and Felder knew that Morse's release had been obtained through the "injection of poisonous chemicals" to fool examining physicians who decided he was suffering from Bright's disease.

Going further, CARAWAY charged Daugherty and Felder knew of this purported "fraud" and had conferred with Attorney General Wickersham, impelling him to refrain from asking Taft to revoke the pardon. Wickersham, CARAWAY said, also knew of the alleged fraud.

Both sides in the Senate to-day were anxiously awaiting further developments.

Attorney General Daugherty remained silent to-day concerning his connection with the Morse case, and it was announced at the Department of Justice that he would not hold his usual conference with newspaper correspondents this afternoon.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. UNDERWOOD. Mr. President, before the vote comes on paragraph 219, I wish to say a few words in reference to it. As I have stated several times in the course of this debate, when the present law was written one of the purposes of the committee in drafting the law, and I presume the purpose of the Congress in passing it, was to remove taxation from that class of articles which were largely necessities of human life, and from that class of articles which went into the construction of homes in America. I have already pointed out what was done in the framing of the present law in the matter of the removal of taxes or the reduction of taxes on lumber, on cement, and on many other articles which go into the home.

We now reach the paragraph which covers window glass. A home could hardly be a home unless it had windows to allow the sunlight of heaven to pour in upon the rich and the poor alike. Paragraph 219 was rather a remarkable paragraph, as reported by the committee, when this bill first came before the Senate. I am glad to congratulate the committee on the fact that this morning they modified their views and reduced to some extent the burden of taxation which they intended to levy.

They have also changed the form of classification. I do not blame the committee for changing the form of classification under the original excessive taxes which they proposed to levy. Under the tariff laws which have heretofore been passed in reference to this article this paragraph read:

Unpolished, cylinder, crown, and common window glass.

That is in the present law, and that language was also in the Payne-Aldrich act of 1909. But the committee changed the classification by making it read:

Cylinder, crown, and sheet glass.

Of course, sheet glass means common window glass. I suppose that if the committee had not put a 50 per cent ad valorem tax on all the glass in this particular paragraph, there would have been no particular reason for striking out the words "common window glass" and inserting in place thereof "sheet glass."

As the paragraph was originally reported to the Senate it fixed specific rates on the various sizes of glass, so many cents a square foot, and then wound up by providing that "None of the foregoing shall pay a duty of less than 50 per cent." As there was none of this class which paid a duty before of anything like 50 per cent, and not much of it would have paid a duty of as much as 50 per cent if this specific rate had been left, when the committee reported the bill to the Senate it practically amounted to providing a rate which would require the rich, who have the great plate-glass windows, and the poor, who have the common window glass, alike to pay a tax of 50 per cent. In other words, on every dollar they pay for their window panes they were to add at least a half a dollar more in the shape of a tax, to go to the Government if the glass was imported, and if bought at home, a tax to go to the manufacturer of glass. But I am glad that the committee has had a change of heart, and has concluded at least to go back to the rates which in the lower brackets approximate the Payne-Aldrich rates, which were cut in two under the present law.

This paragraph provides for the making of window and plate glass that is unpolished. The next paragraph provides a higher tax on the glass when it is polished. But the proposition is the same. I will not apply my statement to all the glass that is made for windows, but, practically speaking, this is the condition which confronts the importation and the manufacture of glass:

The bigger the plate of glass is, the more inches it extends in length and breadth, the higher the price; the smaller it is in length and breadth, the lower the price is; and that is why the man who lives in a humble house has small window panes in his house.

Of course, as the price of glass is higher when the width and breadth are greater, the manufacturer endeavors to make his glass as wide and long as possible, whether it is made by machinery or whether it is made by hand. But glass is brittle. Glass is difficult to keep in large shapes, and it breaks, and when it breaks the manufacturer takes the broken pieces, cuts them into smaller sizes, and sells them in smaller sizes, because he has lost the opportunity to make the greater plate. This applies particularly to the next paragraph, covering polished glass, because, of course, a great deal of the breakage comes in the polishing of the glass; but it also applies to this paragraph.

This breakage produces the culls of this industry. It is what you might call a by-product. It is something that happens when the real objective of manufacture is not obtained, to wit, the making of the larger piece of glass. Of course, when you come to the by-product, the cull that is thrown off, that is something which must be disposed of, and all manufacturers want to get rid of it. Their prime object in manufacturing is the great sheet of glass. The smaller glass, which comes from the culls, must be disposed of, and the competition on glass coming from abroad is in that class. This I have gotten from witnesses who came before the Ways and Means Committee of the House of Representatives when the present law was written and when the Payne-Aldrich bill was before the House, that the main competition does not lie in the great sheets of glass. This book giving the information published by the Tariff Commission makes the same statement, that the active competition which the manufacturer desires protection against is not in the broad window panes, but is in the culls, and although the committee cut the rates in the balance of the lines in changing this schedule, they made no cut in the rate on the culls, in which the real competition is found, in the very first bracket as the bill was originally reported.

The bill provides:

Cylinder, crown, and sheet glass, by whatever process made, unpolished, not exceeding 150 square inches.

"Sheet glass" should read "common window glass."

A plate of glass measuring 150 square inches, if it was square, would be a little above 12 inches square, so this bracket covers all the glass from a foot square down. There is no question about whose houses glass a foot square goes into. It goes into the houses of the people of this country who are least able to pay this tax, and yet the committee in making this reduction from its first proposal this morning reduced every rate except the first rate.

The present law put a tax of seven-eighths of 1 cent on this plain glass. The committee, in reporting the bill, increased that rate to 1¼ cents a pound. The chairman of the committee—and I have not verified his figures, but I will assume they are correct, for the sake of this argument—states that under this tax of 1¼ cents a pound on glass from 12 inches square down, the present rate would amount to about 20 per cent ad valorem.

I have not worked it out for 1921—that is, nine months, and it is not given in this bill—but I am reading from the Summary of Tariff Information as furnished by the Tariff Commission, and for the year 1918, under the present law, the Tariff Commission says that the ad valorem rate on the goods imported was 8.84 per cent, less than 9 per cent.

Mr. SMOOT. The price at that time was 10 cents a pound, and to-day it is 6 cents.

Mr. UNDERWOOD. I am not talking about the price. Of course, the price varies. If we go back and take the present rate it will not change the prices that we shall probably have after war prices have ceased.

Mr. SMOOT. Some of these articles, I will say to the Senator, are cheaper now than they actually were before the war.

Mr. UNDERWOOD. I am not responsible for the figures, as I said in the beginning, which the chairman of the Committee on Finance announced to the Senate. I have not had a chance to work them out. I am assuming that he is correct, and I am sure that he did not overstate them.

In 1919 the imports of this particular article of glass embraced in the first bracket were 4,443 pounds, valued at $50,708. According to the way the Tariff Commission worked it out, they say that is equal to an ad valorem tax of 6.98, or just a little below 7 per cent. In 1920 they tell us the imports amounted to 3,190,492 pounds, valued at $319,395, and that the ad valorem rate amounted to 8.74 per cent, a little less than 9 per cent. I assume that the Tariff Commission are correct in working out the ad valorem equivalent on this glass that is 12 inches, or under, square. If that is true for 1918, 1919, and 1920, the three years that are worked out in the report, there was not an equivalent ad valorem rate on one of the articles, for the three years where the Tariff Commission worked it out, of as much as 9 per cent ad valorem.

Mr. SMOOT. That is true.

Mr. UNDERWOOD. It can not be otherwise. It is here. It is the record.

Mr. SMOOT. There is no doubt of that; but at the same prices it could not be more than 12 per cent under the rates we have reported here. It is only the difference between seven-eighths of a cent and 1¼ cents per pound.

Mr. UNDERWOOD. The Senator from Utah is always very pleasing in his explanations, but I will say——

Mr. SMOOT. Does the Senator from Alabama deny that?

Mr. UNDERWOOD. Just let me tell the Senator this: The Senator from North Dakota said he based this 20 per cent on the imports of 1921.

Mr. SMOOT. Oh, no; Mr. President——

Mr. UNDERWOOD. Of course the Senator from Utah was not present when the Senator from North Dakota said that, and if he wants to deny what the Senator from North Dakota said in his absence he can do so. I listened to the Senator from North Dakota and I understood him to say that the basis of his figures was the imports of 1921. If I am incorrect, I want to know it.

Mr. McCUMBER. Mr. President, I can make that definite now. I gave the figures as based on the first nine months of 1921, the average import price. Taking the first bracket, the average import price value was 6 cents a pound, and, of course, at 1¼ cents per pound we would have an equivalent ad valorem of 20 per cent. At seven-eighths of a cent per pound on the same basis it would be an ad valorem equivalent of 15 per cent. So the difference between the Underwood law and the

pending bill upon the first bracket would be 5 per cent ad valorem.

But may I correct the Senator from Alabama in one statement he made, and that is that if we would take the pre-war prices, the equivalent ad valorem would be about 40 per cent, or double. The pre-war price in 1914 was 4 cents as compared with our 6 cents. Therefore, it was two-thirds as high as it is at the present time, or a difference of 2 cents per pound. I do not know whether the Senator was here, but I gave the different prices on the pre-war basis as compared with the prices on which we are basing our ad valorem rates, namely, the first nine months of 1921. On the fourth bracket they are just the same as pre-war, and on the other brackets below they are very close to the same.

Mr. UNDERWOOD. I understand that, and that is just the logic of my argument. I am glad the Senator from North Dakota has set the Senator from Utah right.

Mr. SMOOT. The Senator from Utah understood that the Senator from Alabama was talking about the year 1920.

Mr. UNDERWOOD. Oh, no; the Senator can refer to the RECORD and see that I did not say that.

Mr. SMOOT. I say the Senator from Utah understood that that is what the Senator from Alabama said. I may have been mistaken. I said the price for 1920 was 10 cents, and the Senator will find that that is the case if he will look at the figures.

Mr. UNDERWOOD. But I did not say that.

Mr. SMOOT. Then I misunderstood the Senator.

Mr. UNDERWOOD. I said the Senator from North Dakota based the statement I read on the figures of 1921, and making the comparison, I read what the Tariff Commission said in reference to 1918, 1919, and 1920. They have not followed the figures out and made an estimate for 1921, but I read what they said for those three years, and then I said that the Senator from North Dakota had said that this rate, based on the figures for 1921, would be equal to 20 per cent.

Mr. SMOOT. That is what I said.

Mr. UNDERWOOD. Then there was no occasion for the Senator to interrupt me in my statement, because it is perfectly clear.

Mr. SMOOT. I misunderstood the Senator.

Mr. UNDERWOOD. Of course, we all sometimes misunderstand each other.

Mr. President, of course, as the Senator from North Dakota has said, when they get to the higher brackets they do not increase the ad valorem rate so much. I knew that when I started, because the high brackets of this glass show it. For instance, the last sizes of glass are 2,400 square inches. That is something like——

Mr. SMOOT. Four by five feet.

Mr. UNDERWOOD. Yes. That is the last bracket and includes anything above 2,400 square inches. It covers the great plate-glass windows of luxuriant department stores or of the luxuriant homes.

Mr. SMOOT. It is unpolished.

Mr. UNDERWOOD. I mean when it becomes polished. Of course, this is the base on which the polished glass is made. I am speaking of the raw material now, because when you get the raw material then you increase the tax on the finished product. But this is the base on which you put the glass in the fashionable stores and the plate-glass window of the palace, and you do not make such a very great increase when you come to that. You make the same discrimination when you come to the next paragraph, 220, polished glass, the finished product.

The last product that you tax are the great windows of luxury, which you tax at 2½ cents per pound. The article that must go into every little home of America you tax at 1¼ cents per pound, and yet this broken glass, this refuse of manufacture, is taxed. Of course not all of it is of that character, some of it being made for that purpose, and that is where the competition comes in. Competition in glass comes from the smaller pieces which are made where the manufacturer fails to accomplish his objective and make the larger piece of glass. I have had that detailed before committees time and time again. In other words, you are going to take the culls of manufacture and put your burden of taxation on them in order that you may increase the cost of building the home.

This is nothing new. You have done it in reference to lumber, you have done it in reference to cement, and you have done it in pretty nearly every article that goes to build a home. You are not going to get much revenue out of it. It is not productive of much taxation at the customhouse, because these people are perfectly capable of meeting the competition in the great proposition of manufacture. Where this glass is not made of the culls or broken glass, it is manufactured by machinery, and the Tariff Commission itself says that for machine-made glass the American manufacturer stands on an even basis with the manufacturer abroad.

More than that, the glass industry in America has a natural protection of its own that many other commodities do not have. Freight rates are high on glass. It is bulky and difficult to handle. The rates are much higher than on other commodities. Therefore to carry glass from abroad to the domestic market in the United States the freight rate is an item of consequence. Insurance is a serious matter. Men who ship glass insure the cargo against the danger of breakage and that costs money. So there is a very considerable item of transportation on all glassware moving from a foreign market before it enters the domestic market, which is to the benefit of the local manufacturer.

Of course, I know that the committee will answer, when I read them the figures of importation, that it may be true now, but that the war is over and that it is going to vastly increase in the near future, as every other article is going to increase in the imagination until the pending bill is passed. In 1914 the production of glass amounted to 400,000,000 pounds. That was when the industry had full competition from Belgium. Belgium was the principal manufacturer of glass that came in competition with the American producer in the American market. But during the war the Belgian mills were closed because Belgium was occupied by the German Army. After the war was over Belgium was back in possession of her own, and by the beginning of the year 1919 the production was increasing. The production in 1919 was 368,912,209 pounds, valued at $41,000,000. I thought I had in my hand the imports for 1919 summarized, but I do not find them. However, for 1919, in the first bracket, they amounted to 404,443 pounds; in the second bracket they amounted to 112,811 pounds; and so on down. I shall not take the time of the Senate to read them, because I have not added them up, but I will make a comparison of the imports in 1914, for which I have the figures in hand.

I stated awhile ago the production in 1914, when Belgium was in full blast and the rates under the present law were in effect. The Senator from Utah [Mr. SMOOT], however, suggests to me that Belgium was being shot to pieces in 1914, and so I will go back and take 1913. I have not the production for 1913, but the imports into this country in 1913 were 20,458,970 pounds, as compared to a production in 1914 of 400,000,000 pounds—20,000,000 pounds as against 400,000,000 pounds. So the imports amounted to about 5 per cent of the American production. Those figures may not be absolutely accurate, but they are substantially correct; and it appears that when commerce was unimpeded, importations coming from Europe were unobstructed, and the rates of the present law were in force, the imports amounted to only about 5 per cent of the American production, and, of course, less than 5 per cent of the American consumption. If anybody can say that when the industries of America have 95 per cent of the control of the American market they are going to be destroyed because somebody imports 5 per cent of the glass that America consumes, I think he has a vivid imagination.

Of course, the manufacturer wants the entire market in his own line; but what are we going to do for the Government? It is said by the majority party that they are going to levy taxes in order to collect revenue at the customhouse; but until we let some of these articles flow through the customhouse we can not collect any revenue, because nothing will come in upon which to levy the tax. Is 5 per cent too much for the Government's share, leaving 95 per cent upon which the manufacturer may charge increased prices behind an adamant tariff wall?

I think that under any fair adjustment of tariff taxes the Government should be allowed to have some opportunity; but if we increase the rates we are going to make them so high that we shall shut out importations, as will undoubtedly be the case in these lower brackets, if this paragraph is permitted to stand as reported to the Senate, proposing to levy a tax of 50 per cent ad valorem. Importations will be reduced to a certain extent even by raising the present rates as now proposed by the committee amendment, and the American people will be compelled to pay that additional tax to the manufacturer without, so far as I can see, any justification whatever.

Mr. KELLOGG. Mr. President, will the Senator from Alabama yield to me?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. UNDERWOOD. I yield.

Mr. KELLOGG. Did I understand the Senator from Alabama to say that this bill carries a duty on ordinary building lumber?

Mr. UNDERWOOD. No. I said that under the present law, as it was written when I was chairman of the Ways and Means Committee, lumber was placed on the free list.

Mr. KELLOGG. And it is on the free list in the pending bill also, is it not?

Mr. UNDERWOOD. In some respects, I am free to say that the committee was wise enough to follow the example set for them in the present law, undoubtedly; but on other grades of lumber they have increased the rate of duty as to most articles that go into the building of homes; they have largely increased the duty over what it is in the present law.

Mr. KELLOGG. Building lumber and shingles by this bill are placed on the free list, are they not?

Mr. UNDERWOOD. The Senator from Minnesota means that the Republicans have continued lumber on the free list?

Mr. KELLOGG. Yes.

Mr. UNDERWOOD. Those articles are continued on the free list; but they were not on the free list under the Dingley Republican law and they were not on the free list under the Payne-Aldrich law, which was a Republican law. The Democrats, as I have stated, placed the ordinary grades of lumber, shingles, and many other articles on the free list in order that the builders of homes might have an opportunity, and in some few instances the Republicans have allowed them to stay where we placed them; but in numbers of other instances, as well as in this particular paragraph, they are raising the rates on building material, and in my opinion without any justification.

I do not care to take the time of the Senate in discussing all these items; there is no use of my doing that. Unpolished glass is the raw material; the next paragraph takes up the finished product, covering the glass after it is polished; and the next paragraph embraces a higher class of glass, which is more or less a luxury or a necessity for great buildings. But here is the crux of the glass schedule; here is the common glass. I realize that there are men who write tariff bills on the theory that the protection of an industry is more important for the Nation than the food and clothing and housing of the masses of the people. I do not say that in a spirit of demagoguery; I do not say it as an appeal because there are more poor people who vote than there are rich people; I have not invoked a spirit of that kind during my career in this Chamber; but I do say that the great mass of the American people in order to be good citizens, in order to love and honor their country, to live happy lives and raise their children properly, must have an opportunity to buy their food cheaply, to buy their clothes at reasonable prices, to build their own homes and not to be exploited by landlords exacting exorbitant rents. There is nothing that will make this Nation greater and more independent and insure a more patriotic and conservative citizenry than to allow every man in the Nation to own his own home. I say that when you pursue a deliberate policy, as is done in this bill, of raising the tax on food, raising the tax on clothes, raising the tax on the materials with which to build the homes, you are pursuing a policy that is in direct contravention of the best interests of our United States.

Mr. HEFLIN. Mr. President, before a vote is taken upon the pending item I merely wish to say a word concerning a thought which has been suggested by the speech of my colleague [Mr. UNDERWOOD]. I think it well for the country to know just what the program here is; just what is going on day after day with regard to this tariff bill. A few days ago the Republican Senate placed a tax upon sand from which glass is made. Nobody ever dreamed that any party would do that, but the Republican Party in the Senate has actually laid a tax upon sand. It has increased the price of the raw material, white sand, out of which glass is made. That is No. 1. They have not stopped at that, as my colleague has pointed out, but they have laid a tax upon unpolished glass, which is made from sand. That is No. 2. Then they have laid a tax upon the polished glass or finished glass, and that is No. 3.

So every fellow who uses glass in any form must pay all these taxes, because the consumer pays all the tax. Whenever the article is handed to him over the counter he pays every tax that is connected with it. I do not care what theorists may say about it; it is all put in the cost that the consumer pays when the article is handed over the counter to him.

I was just thinking while my colleague was speaking, Mr. President, about the fellow who buys a bottle in which to have milk delivered to his home for his baby, or several bottles bringing milk for the family. He has to pay a tax under this provision and under all these provisions—sand, unpolished glass, and polished glass. The more glass he buys the greater his tax. I got to thinking of some of the uses to which we put glass. I will mention just one or two, because I do not want to detain the Senate, for you seem to desire to vote on this item. I thought of fruit jars. The housewives of America, when fruit is here in abundance, want to preserve some of it for use in the winter, and they will cook up some of this fruit and will preserve it by putting it away in glass jars. The other side has made it more difficult for them to do that, because of the tax that they are laying on sand, unpolished glass, and polished glass. When they get ready to serve these luscious and delightful preserves in a glass bowl the tax proposition rises again, and when they go to drink this milk that comes in the glass bottle, from the drinking glass upon the table, here comes this Republican tariff tax upon sand, unpolished glass, and polished glass to stare them in the face with increased prices. You have taxed the windowpanes that let God's light of day into the homes of the people, and when the citizen needs glasses to enable him to read the pages of the Blessed Book you have taxed the spectacles that he must use. Verily, there is no escape from the taxgatherers of the Republican Party.

Mr. UNDERWOOD. I ask to have the pending amendment stated.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On line 7, after the word "made," it is proposed to insert a comma and the words "and for whatever purpose used."

Mr. UNDERWOOD. I do not care to take any issue on that. I understand that that is merely a technical provision.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, on page 42, line 10, I move to strike out "1¾," and insert in lieu thereof "1⅞."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. UNDERWOOD. Before this increase is voted over the present rate, although it is a reduction from the rate printed in the bill, I think the Senator from New Mexico [Mr. JONES], in charge of this schedule, desires to propose an amendment. I therefore make the point of no quorum, in order that he may be here.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harris	Nelson	Simmons
Brandegee	Heflin	New	Smoot
Broussard	Johnson	Newberry	Spencer
Bursum	Jones, N. Mex.	Nicholson	Sterling
Calder	Jones, Wash.	Norbeck	Sutherland
Capper	Kellogg	Norris	Townsend
Caraway	Kendrick	Oddie	Underwood
Curtis	Keyes	Page	Wadsworth
Dial	Ladd	Pepper	Walsh, Mont.
du Pont	La Follette	Poindexter	Warren
Edge	Lenroot	Pomerene	Watson, Ga.
Frelinghuysen	Lodge	Ransdell	Watson, Ind.
Gerry	McCumber	Rawson	Williams
Glass	McKinley	Robinson	Willis
Gooding	McLean	Sheppard	
Hale	McNary	Shortridge	

The PRESIDING OFFICER (Mr. LADD in the chair). Sixty-two Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Utah.

Mr. JONES of New Mexico. Mr. President, I move to amend the amendment of the Senator from Utah by inserting, instead of "1⅞ cents," in line 10, page 42, "1 cent"; and before proceeding to a vote I desire to make just a little statement.

We were in some confusion earlier in the day as to prices. I have just been handed a list of prices, coming from official sources, of certain sizes of glass manufactured in this country for domestic consumption, and the prices of the same glass for export, and the landed cost of the Belgian glass. There is quite a table of these prices, but they are decidedly interesting.

I find that the American export price is in most cases considerably less than the American price to the American consumer, and that the Belgian price landed in New York is greater than the American price in New York. They are given in brackets here. I will not read the numbers of the brackets, because I will ask to have this table inserted in the RECORD; but the first domestic price of the American glass is $2.77, and the export price of the same article is $2.76, about the same, and the net price of the Belgian glass is $2.65. The Belgian price is on the basis of 25 per cent discount from the list price, and 8 cents per franc.

The franc is worth more than that now. These were January, 1922, prices. The comparative prices as to the other brackets are as follows:

Single thickness.	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
34-inch bracket	$3.22	$2.98	$3.17
40-inch bracket	3.36	2.98	3.17
50-inch bracket	3.69	3.25	3.54
54-inch bracket	3.98	3.33	3.69
60-inch bracket	4.09	3.33	3.89
70-inch bracket	4.38	3.54	4.04
80-inch bracket	4.88	4.15	4.53
84-inch bracket	5.26	4.46	4.84

It will thus be seen that the price of the Belgian ware in the New York market is in every instance, I believe, higher than the export price of the domestic product. That is for single-thickness glass. For duplicate thickness the figures are:

Double thickness.	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
25-inch bracket	$3.76	$3.08	$3.95
34-inch bracket	4.06	3.49	4.74
40-inch bracket	4.30	3.49	4.74
50-inch bracket	4.92	3.93	5.29
54-inch bracket	4.98	4.05	5.52
60-inch bracket	5.04	4.05	5.82
70-inch bracket	5.34	4.24	6.04
80-inch bracket	5.76	4.81	6.80
84-inch bracket	5.88	4.88	7.25

So it appears that we are not threatened with importations from Belgium. In every case I believe the Belgian price is greater than the export price of the American product, and in most cases the Belgian price in New York is greater than the New York price of the American product. So it would seem that there is very little danger of our markets being flooded with Belgian ware, and when I called attention this morning to the fact that this industry is closely held, that under an agreement between the machine producers and the hand producers the factories of this country of all kinds are working only six months in the year, under an agreement that 60 per cent of the whole market shall belong to the machine producers and 40 per cent to the hand producers; with the market so closely held as that and with the manufacturers themselves saying that upon the higher brackets they need no further duty, one of them saying that the present duty could be reduced—in the face of that condition the committee proposes to increase materially the duties under existing law, and all I am seeking to do by the amendment which I suggest is to retain the rates found in the existing law.

The industry is prospering as it has never prospered before. We are exporting this glass now, and Belgium is our competitor, if we have any; and nobody has had much to say about the low cost of production in Belgium. This industry especially is struggling to get on its feet again in Belgium.

Mr. President, I ask to have inserted in the RECORD a copy of the price list to which I referred a while ago.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PARAGRAPH 219.

Prices of window glass January, 1922, 50 feet per box, f. o. b. New York.

"B" QUALITY.

	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
Single thickness:			
25-inch bracket	$2.77	$2.76	$2.65
34-inch bracket	3.22	2.98	3.17
40-inch bracket	3.36	2.98	3.17
50-inch bracket	3.69	3.25	3.54
54-inch bracket	3.98	3.33	3.69
60-inch bracket	4.09	3.33	3.89

Prices of window glass January, 1922, etc.—Continued.

	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
Single thickness—Continued:			
70-inch bracket	$4.38	$3.54	$4.04
80-inch bracket	4.88	4.15	4.53
84-inch bracket	5.26	4.46	4.84
Double thickness:			
25-inch bracket	3.76	3.08	3.95
34-inch bracket	4.06	3.49	4.74
40-inch bracket	4.30	3.49	4.74
50-inch bracket	4.92	3.93	5.29
54-inch bracket	4.98	4.05	5.52
60-inch bracket	5.04	4.05	5.82
70-inch bracket	5.34	4.24	6.04
80-inch bracket	5.76	4.81	6.80
84-inch bracket	5.88	4.88	7.25

Mr. SIMMONS. Mr. President, the Senator from New Mexico has made a very valuable contribution to this discussion. I stated a few days ago upon a venture that I believed that upon further investigation it would be found that our export prices were not very much above the import prices of foreign merchandise into this country. I think if the Senator will extend his investigation to other subjects along the same line he has pursued in getting the data he has just given the Senate he will find that there is practically the same difference between the domestic and export selling prices of domestic products which he has discovered with reference to the product we have been discussing.

The facts the Senator has given as to that article illustrate to my mind better than anything which has been developed in all of this discussion the cost to the American people of the proposed extortionate and prohibitory rates. They will enable the domestic producers to sell their products to the American consumers at profits far above what are reasonable, fair, and just, while selling the same products in foreign countries at a very much less price.

It is logical to argue that the difference between the domestic price of the domestic product and the export price of that product, if it will not accurately gauge the cost to the American people of these high rates which are now demanded, is at least an index of the extent to which this system enables the industries of the country to victimize the consumers of the country.

If we give the monopolized industries a protection which enables them to dominate and control the American market, and thus to fix their prices and their profits as high as they please, they will exact a big profit from the American people, while exacting of the foreigner only a moderate profit, which means, properly interpreted, that the protective system, as illustrated in this case, instead of inuring to the benefit of the American people, inures to the benefit of the foreign purchaser of our domestic products.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. JONES of New Mexico. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. PHIPPS], which I transfer to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay." I ask that this announcement of my pair and its transfer may stand for the day.

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. Not being able to obtain a transfer, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

The roll call was concluded.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from New Hampshire [Mr. MOSES] and vote "nay."

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. GLASS (after having voted in the affirmative). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Arizona [Mr. ASHURST] and permit my vote to stand.

Mr. SIMMONS. I wish to announce that my colleague [Mr. OVERMAN] is necessarily absent. If present, he would vote "yea."

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. STANLEY. I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent for the day and I promised to take care of him with a pair. I find, however, that I can transfer that pair to the Senator from New Hampshire [Mr. KEYES], which I do, and vote "nay."

Mr. JONES of New Mexico (after having voted in the affirmative). I desire to announce the transfer of my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED]. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce that the Senator from Rhode Island [Mr. COLT] is paired with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 21, nays 45, as follows:

YEAS—21.

Caraway	Heflin	Pomerene	Underwood
Dial	Jones, N. Mex.	Robinson	Walsh, Mass.
Gerry	King	Sheppard	Walsh, Mont.
Glass	La Follette	Simmons	
Harris	Myers	Smith	
Harrison	Norris	Stanley	

NAYS—45.

Ball	Hale	Nelson	Smoot
Brandegee	Johnson	New	Spencer
Broussard	Jones, Wash.	Newberry	Sterling
Bursum	Kellogg	Nicholson	Sutherland
Calder	Kendrick	Norbeck	Townsend
Capper	Ladd	Oddie	Wadsworth
Cummins	Lenroot	Page	Warren
Curtis	Lodge	Pepper	Watson, Ind.
du Pont	McCumber	Poindexter	Willis
Edge	McKinley	Ransdell	
Frelinghuysen	McLean	Rawson	
Gooding	McNary	Shortridge	

NOT VOTING—30.

Ashurst	Ernst	McKellar	Stanfield
Borah	Fernald	Moses	Swanson
Cameron	Fletcher	Overman	Trammell
Colt	France	Owen	Watson, Ga.
Crow	Harreld	Phipps	Weller
Culberson	Hitchcock	Pittman	Williams
Dillingham	Keyes	Reed	
Elkins	McCormick	Shields	

So the amendment of Mr. JONES of New Mexico to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Utah [Mr. SMOOT], on line 10, to strike out "1¾" and insert in lieu thereof "1⅞."

The amendment was agreed to.

Mr. SMOOT. On page 42, line 11, I move to strike out "2¼" and to insert in lieu thereof "1⅞."

Mr. JONES of New Mexico. I move to amend by inserting "1⅛" instead of "1⅞" proposed by the Senator from Utah. I will state that we have had one roll call upon this paragraph, and I assume that the vote on the other items will be just the same. So I shall not ask for a roll call on the further amendments, but I desire to reserve a vote in the Senate upon all the amendments in this paragraph.

Mr. SIMMONS. Mr. President, may I ask the Senator from New Mexico if glass of the character covered by this rate is imported from Belgium?

Mr. JONES of New Mexico. I assume that all of it is. I know of none coming from any other country.

Mr. SIMMONS. Belgium is our only competitor?

Mr. JONES of New Mexico. Belgium is our only competitor.

Mr. SIMMONS. The glass she sends us sells in New York at a higher price than the domestic glass, I understand.

Mr. JONES of New Mexico. So it appears from the official price list which I inserted in the RECORD,

Mr. SMOOT. That is the selling price, but not the cost price.

Mr. JONES of New Mexico. It is the landed price f. o. b. New York.

Mr. SMOOT. I do not want to get into any discussion about it, but——

Mr. SIMMONS. We need to have some discussion about it. If the figures given by the Senator are true, we ought to have some discussion that would enlighten the Senate.

Mr. SMOOT. All I will say is that the foreign value in the United States currency, with the landing charges, freight, and insurance added, and the duty added to that, is a lower price than that at which it is sold for here. It is said that the profit in selling that article in the United States is all the way from 60 to 80 per cent, and with that 60 to 80 per cent profit over and above the cost of the article in Belgium, together with freight and landing charges, plus the duty and the profits, it is sold in some cases a little higher than the American article and in some cases a little lower.

Mr. SIMMONS. Let me ask the Senator from New Mexico another question. When the Senator spoke of the selling price of the Belgian glass in the New York market did he include the duty?

Mr. JONES of New Mexico. It is the f. o. b. New York price, and I assume that the present duty is included.

Mr. SIMMONS. The Senator assumes that the duty is included?

Mr. JONES of New Mexico. I assume that it is, because it is the f. o. b. New York price.

Mr. SIMMONS. Has the Senator subtracted the duty to see what would be the net result?

Mr. JONES of New Mexico. I have not, but I was trying by these figures to show conditions under the existing law. It seems to me they demonstrate that there is no necessity for increasing the duty. The prices to which the Senator from Utah has just referred are the prices of August of last year, while the prices which I have are of January of this year.

Mr. SIMMONS. And they are admittedly higher, I think.

Mr. JONES of New Mexico. I imagine in some cases they are a little higher and in some cases a little lower.

Mr. SMOOT. I think they are lower to-day not only in this country but in Belgium as well.

Mr. SIMMONS. They are lower than they were last August?

Mr. SMOOT. Yes.

Mr. SIMMONS. The evidence I have is that since last August the prices of imports into this country have increased.

Mr. SMOOT. Not at all on glass.

Mr. SIMMONS. I am not speaking specifically about glass. I was speaking about general prices.

Mr. SMOOT. I think the Senator will admit that the prices quoted there are prices at which the glass is sold in the United States, and also that the prices quoted of the foreign article are f. o. b. at the mill.

Mr. SIMMONS. Then if we take that to be true, the prices at which this product is offered for sale by the foreigner in New York, after paying the duty under the present law, are a little higher than the export prices of the American product.

Mr. JONES of New Mexico. And in a great many instances they are very much higher.

Mr. SIMMONS. Yes; very much higher.

Mr. JONES of New Mexico. In the higher brackets especially the prices are much higher. I mean by that the larger sizes of the glass.

Mr. SIMMONS. That would clearly demonstrate, I think, that the present duty affords the American producer all the protection that he can possibly ask for in conscience upon this article.

Mr. SMOOT. I know the Senator wants to be perfectly fair, and I know the prices he is quoting are the cost prices in Belgium plus the landing charges and the insurance and the duty, plus 60 or 70 per cent profit, as shown by the Reynolds report. They can cut that 60 or 70 per cent profit and then it would be under the selling price in the United States.

Mr. SIMMONS. But I do not suppose it includes importers' profits.

Mr. JONES of New Mexico. I am not willing to allow that statement to go unchallenged, because I read from the official paper and I will read just what it says:

Prices of window glass January, 1922, 50 feet, per box f. o. b. New York.

Mr. SMOOT. That is exactly what I said.

Mr. JONES of New Mexico. That does not include any profit by the importer.

Mr. SMOOT. But that is f. o. b. New York. That is where the importer buys the product and lands it at New York. The Reynolds report will show that to be the case.

Mr. SIMMONS. The importer's profit is not included, because the importer is not presumed to pay himself a profit. It is clear to me that there are no profits included in the foreign prices and that it is the landed cost plus the freight and insurance and the duty, and that is all. Now, the American export price includes in it a profit to the American wholesaler, and with that profit to the American wholesaler it seems that the landed cost with the duty added on the foreign article is a little higher than the export price of the domestic article.

Mr. SMOOT. Does the Senator from North Carolina mean that the importer will bring the glass in here f. o. b. New York and sell it at just what it costs him f. o. b. New York?

Mr. SIMMONS. I mean nothing of the sort, and no one has said anything that approached that. What the Senator from New Mexico has said to the Senate, and all that he said, is that the landing cost in New York to the importer of that article was so much, duty paid. The importer's profits will not be included until the importer sells it. The article he quoted does not give the selling price of that article in New York. The selling price, of course, would include the importer's profit. The quotation speaks of the landed cost, landed in New York, invoiced to a certain importer, and that includes nothing except what the importer gives for it plus the duty and the insurance and the freight. That is all. If it had said the selling price of the article in New York it would have been different, because the selling price would have included the importer's profit, but the Senator has said that his figures only applied to the landed cost. There is a vast difference between the landed cost and the selling cost.

Mr. SMOOT. I never in my life heard of a landing cost f. o. b. If the Senator from North Carolina can imagine a landing cost f. o. b., I can not understand it. I do not know what it is. I never heard of it.

Mr. SIMMONS. I buy an article for the purpose of reselling it. It is booked to me f. o. b.

Mr. SMOOT. Oh, that is c. i. f. That is not f. o. b.

Mr SIMMONS. Yes, it is f. o. b. at the point of shipment, and landed cost included the transportation and insurance charges, and the duty is the entrance fee, so to speak.

Mr. JONES of New Mexico. Mr. President, I want to call attention to the heading of that column. It says:

Net Belgium glass at 25 per cent discount from list at 8 cents per franc.

If you put the franc at its present value, this price would be increased accordingly about 12½ to 15 per cent. But even assuming that the Senator from Utah is right about it, that these articles are on the market at those prices, still we have the Belgium glass on the market, in a great many cases with the prices higher than the American glass on the market in New York and in every case higher than the American prices for export.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment proposed by the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 13, I move to strike out the numerals "2¼" and to insert in lieu thereof the numerals "1¾."

Mr. JONES of New Mexico. I move to amend the amendment offered by the Senator from Utah by inserting the numerals "1½" instead of "1¾."

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 15, I move to strike out the numerals "3¼" and to insert in lieu thereof the numeral "2."

Mr. JONES of New Mexico. I move to amend the amendment of the Senator from Utah by inserting the numerals "1½" instead of the numeral "2."

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 16, I move to strike out the numerals "3¼" and to insert in lieu thereof the numerals "2¼."

Mr. JONES of New Mexico. I move to amend the amendment proposed by the Senator from Utah by inserting the numerals "1⅞" instead of the numerals "2¼."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 17, I move to strike out the numeral "4" and to insert in lieu thereof the numerals "2¼."

Mr. JONES of New Mexico. I move to amend the amendment of the Senator from Utah by inserting the numeral "2" instead of the numerals "2¼."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 18, I ask that the committee amendment may be disagreed to; and if the Senate disagrees to the committee amendment, I shall then ask to strike out the proviso, which reads as follows:

Provided, That none of the foregoing shall pay less duty than 35 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. SMOOT. I now move, in line 17, page 42, to strike out, after the words "Provided," down to and including the word "further" in line 19.

The PRESIDING OFFICER. The amendment moved by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 42, line 17, after the word "Provided," is is proposed to strike out:

That none of the foregoing shall pay less duty than 50 per cent ad valorem: *Provided further*—

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. Now, Mr. President, I should like to return to paragraph 25.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harris	Nelson	Simmons
Borah	Harrison	New	Smith
Brandegee	Heflin	Newberry	Smoot
Broussard	Johnson	Nicholson	Spencer
Bursum	Jones, N. Mex.	Norris	Sterling
Capper	Jones, Wash.	Oddie	Sutherland
Caraway	Kellogg	Page	Townsend
Cummins	Kendrick	Pepper	Underwood
Curtis	King	Poindexter	Wadsworth
Dial	La Follette	Pomerene	Walsh, Mont.
du Pont	Lenroot	Ransdell	Warren
Frelinghuysen	McCumber	Rawson	Watson, Ga.
Glass	McKinley	Robinson	Willis
Hale	McNary	Sheppard	

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present. The Secretary will state the pending amendment in paragraph 25.

The ASSISTANT SECRETARY. In paragraph 25, coal-tar products, beginning on page 8, the first committee amendment, on page 9, line 14, has been agreed to. The next amendment is, on page 9, line 25, to strike out "tar" and insert "tar,".

The amendment was agreed to.

The next amendment was, on page 10, line 17, after the numerals "1546," and before the words "per cent," to strike out "30" and insert in lieu thereof "50."

Mr. KING. Mr. President, it seems to me that paragraphs 25 and 26 are so closely interrelated that a discussion of one involves a discussion and consideration of the other. I had hoped that the able Senator from New Jersey [Mr. FRELINGHUYSEN] or some other member of the committee would present such reasons as it may be thought the Senate should be put in possession of to justify the changes in this schedule from the schedule reported in the House bill. I was about to offer an amendment, but if any member of the committee cares to discuss these provisions, I hope he will do so for our enlight-

enment, and I shall be glad to pretermit action on my part for the present.

Mr. FRELINGHUYSEN. Mr. President, I think the suggestion of the distinguished Senator from Utah that paragraphs 25 and 26 should be discussed together is a very good one, because the two paragraphs are very closely related. Paragraph 25 provides for duties on intermediates, those products which are necessary to make the finished dyes, and paragraph 26 relates to dyes, flavors, perfumes, synthetic tanning material, phenolic resin, photographic chemicals, medicines, colors, and other coal-tar products. The committee have provided for a specific duty of 7 cents per pound for these products, and in one case 60 per cent ad valorem——

Mr. NORRIS. Mr. President, will the Senator read the products, so that we may know what they are? [Laughter.]

Mr. FRELINGHUYSEN. I thank the Senator for that suggestion. I can not read them. I will try to pronounce them when the time comes.

Mr. NORRIS. I should like to hear the Senator pronounce them, so that we may vote intelligently.

Mr. FRELINGHUYSEN. The committee has provided a specific duty of 50 per cent on the articles in paragraph 25 and 7 cents a pound, and 60 per cent on the articles in paragraph 26 and 7 cents a pound. In addition to that the committee has extended for one year the selective-license system now in the emergency tariff, which forms part of another paragraph, and they have also provided that if found necessary the President may extend it for a further period of one year. These paragraphs are all closely related, and refer to the protection of the dye industry established during the war; and the consideration of these paragraphs and their passage is a question of very important national policy.

The rates fixed by the committee of 50 and 60 per cent are based upon an average of the differentials between the cost of the manufactured dyes here and some of the imported prices. I do not think they are high enough, but I want to say at this point that we have before us the survey of the Tariff Commission, which states, on page 24:

> What rate of duty would protect all branches that now show any growth and will guarantee the development of those that are missing? To this the Tariff Commission is bound to answer that this end apparently can not be accomplished by any rate of duty familiar in American tariff legislation. This conclusion is inevitable when a comparison is made of what is known of domestic costs with the pre-war prices of German dyes or even with the very recent prices at which those dyes were offered in exchange for food.

Further on in that report, we find these words:

> Again, deceptive advertising and misleading propaganda can be protracted by many shrewd devices long enough to demoralize a market in spite of any law that has thus far been enacted.

I skip part of the report.

> A law that would be effective against German dumping of dyestuffs will be difficult to draw, for the usual test of dumping can hardly be applied. A comparison of their export with their domestic prices will have little meaning, because both are fixed by a monopoly and may be adjusted at will, and because private contract prices may easily be made to vary widely from published quotations.

Mr. President, before the war we had practically no dye industry in this country. Under the extremity of war the American manufacturer created an industry which made us independent of the country that formerly supplied us, Germany. Prior to the war Germany had absolute domination in the dye industry of the world. We purchased practically all of our dyes from her. To-day we are independent; but unless there is proper protection, and unless there is a restrictive license which will allow our chemists to continue their research and experimentation, this dye industry can not live.

Later in the debate I shall introduce in the RECORD the statements of prominent men, statesmen, and those who have had an opportunity to study this question carefully, tending to show that if we are to maintain this industry it is absolutely necessary that we not only have these duties for the dyes that are admitted under the selective embargo but also that we have the selective embargo to protect our industries against the competition of those who can undersell and practically manufacture at less cost than we can.

That is the reason why the committee have placed in the bill these two provisions and fixed these rates, as well as extending the embargo.

Mr. McCUMBER. I ask unanimous consent that the Senate will agree to recess until to-morrow at 11 o'clock when it completes its session this calendar day.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, I ask that the committee amendment be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. KING. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Transferring my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as heretofore regarding the transfer of my pair, I vote "yea."

Mr. GLASS (when his name was called). Transferring my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Arizona [Mr. ASHURST], I vote "nay."

Mr. HARRISON (when his name was called). Transferring my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN], I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. WARREN (when his name was called). Again announcing the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the Senator from Mississippi [Mr. WILLIAMS] to the Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from New Hampshire [Mr. MOSES], I vote "yea."

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. STANLEY (after having voted in the negative). I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Nebraska [Mr. HITCHCOCK], and will allow my vote to stand.

Mr. FRELINGHUYSEN (after having voted in the affirmative). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Minnesota [Mr. NELSON] and will allow my vote to stand.

Mr. SMITH (after having voted in the negative). I have a general pair with the Senator from South Dakota [Mr. STERLING]. In his absence I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce that the Senator from Rhode Island [Mr. COLT] is paired with the Senator from Florida [Mr. TRAMMELL], and that the Senator from Arizona [Mr. CAMERON] is paired with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 37, nays 20, as follows:

YEAS—37.

Hale	Ball	New	Spencer
Brandegee	Johnson	Newberry	Sutherland
Bursum	Jones, Wash.	Nicholson	Townsend
Calder	Kellogg	Oddie	Wadsworth
Capper	Lenroot	Pepper	Warren
Curtis	Lodge	Poindexter	Watson, Ind.
Edge	McCumber	Ransdell	Willis
France	McKinley	Rawson	
Frelinghuysen	McLean	Shortridge	
Gooding	McNary	Smoot	

NAYS—20.

Caraway	Heflin	Norris	Smith
Dial	Jones, N. Mex.	Pomerene	Stanley
Glass	Keyes	Robinson	Swanson
Harris	King	Sheppard	Underwood
Harrison	La Follette	Simmons	Walsh, Mass.

NOT VOTING—39.

Ashurst	Elkins	McKellar	Reed
Borah	Ernst	Moses	Shields
Broussard	Fernald	Myers	Stanfield
Cameron	Fletcher	Nelson	Sterling
Colt	Gerry	Norbeck	Trammell
Crow	Harreld	Overman	Walsh, Mont.
Culberson	Hitchcock	Owen	Watson, Ga.
Cummins	Kendrick	Page	Weller
Dillingham	Ladd	Phipps	Williams
du Pont	McCormick	Pittman	

So the amendment of the committee was agreed to.

Mr. McCUMBER. Mr. President, I should like to return to page 31, paragraph 201. I want to offer an amendment striking out paragraph 201 entirely and substituting a paragraph for it. This is the paragraph relating to fire brick, and so forth. At the end of that paragraph, as Senators will remember, on which we had a long discussion, we added:

> All brick not specially provided for, 25 per cent ad valorem.

That addition was simply to protect a few brickmakers along the Canadian line whose product competed with a Canadian product in the near-by vicinity. On account of freight rates we did not consider at that time that there was any danger of its affecting the general price of building bricks throughout the United States. That being its purpose, I am going to ask, if we can pass it through without further delay, to offer the amendment proposed by the Senator from Utah [Mr. SMOOT]; but since the amendment which was offered by the Senator from Utah was introduced we have made a slight change in magnesite, increasing the duty from $8 to $15 per ton, and the amendment as drawn by the senior Senator from Utah provided for a duty of four-tenths of 1 cent per pound to take care of the $8 per ton on the magnesite that was used in the fire brick. Raising that rate on the magnesite from $8 a ton to $15 a ton would make a differential which would require three-fourths instead of four-tenths of 1 cent per pound in the cost of the fire brick.

The amendment which I now offer would read as follows:

Strike out all of paragraph 201, page 31, and insert in lieu thereof the following:

"PAR. 201. Bath brick, chrome brick, and fire brick not specially provided for, 25 per cent ad valorem; magnesite brick, three-fourths of 1 cent per pound and 10 per cent ad valorem."

If that is carried, as I hope it will be, then, on page 217, after line 5, we would insert a new paragraph—that is on the free list—which would read:

PAR. 1535a. Brick not specially provided for:

That would put all of building brick and brick not specially provided for on the free list, with this proviso:

Provided, That if any country, dependency, Province, or other subdivision of government imposes a duty on such brick imported from the United States, an equal duty shall be imposed upon such brick coming into the United States from such country.

That last provision would adequately protect those along the border against the Canadian importation where the Canadian Government imposes an even higher duty upon the American brick; and inasmuch as that does not come into competition except in the close vicinity, I can not believe that there will be any serious objection to it.

Mr. UNDERWOOD. Mr. President, I should like to ask the Senator about his proviso. I have not been able to read it, and therefore could only catch it from the Senator's reading. The proviso in reference to the free list is what he is discussing?

Mr. McCUMBER. Right at the bottom of the amendment.

Mr. UNDERWOOD. I will read it over, so that I can ask my question better:

Brick not specially provided for: *Provided*, That if any country, dependency, Province, or other subdivision of government imposes a duty on such brick imported from the United States an equal duty shall be imposed upon such brick coming into the United States from such country.

That would exclude, of course, the brick on the border; I realize that; but would that apply to any other country except Canada?

Mr. McCUMBER. I do not think it can. I know of none coming from Mexico. I have not heard of any, and I do not think there are any.

Mr. UNDERWOOD. If a duty was imposed on countries that are not border countries, it would not apply?

Mr. McCUMBER. It certainly would not. It would, of course, if they imposed a duty, but I know of no other country that is imposing a duty except Canada.

Mr. ROBINSON. Mr. President, I ask that the amendment offered by the Senator from North Dakota be reported.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. The amendment is in two parts——

Mr. ROBINSON. No; I did not understand that the Senator had offered the second amendment at this time. That is the reason why I asked to have the amendment reported. I understood the Senator from North Dakota to say that if the first amendment was adopted—the amendment relating to bath brick, chrome brick, and fire brick—it was then his purpose, after that had been adopted, to offer the other portion of it, to place common brick on the free list.

The Senator can not, of course, propose two amendments at once, and he has not done it. He has proposed an amendment to strike out paragraph 201 and insert certain language in lieu of it; and I ask that the pending amendment be reported.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out all of paragraph 201, on page 31, and to insert in lieu thereof the following:

PAR. 201. Bath brick, chrome brick, and fire brick not specifically provided for, 25 per cent ad valorem; magnesite brick, three-fourths of 1 cent per pound and 10 per cent ad valorem.

Mr. ROBINSON. Mr. President, I propose the following amendment to the amendment of the Senator from North Dakota: Strike out "25" and insert "10," so that it will read:

Bath brick, chrome brick, and fire brick not specifically provided for, 10 per cent ad valorem.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arkansas to the amendment of the Senator from North Dakota.

Mr. ROBINSON. Mr. President, the paragraph as reported by the Finance Committee segregates brick into as many as nine different classes for the purposes of imposing a tariff.

The first class is fire brick weighing not more than 10 pounds each, not glazed, enameled, ornamented, or decorated. Upon that class of fire brick the original Finance Committee amendment contemplated a tariff of 15 per cent, the House having imposed a tariff of 10 per cent.

Upon the second class, according to the Finance Committee's arrangement—glazed, enameled, ornamented, or decorated fire brick—the committee proposed to impose a tariff of 30 per cent in place of 20 per cent as proposed by the House of Representatives.

The third class embraced brick weighing more than 10 pounds each, and not specially provided for, not glazed, enameled, ornamented, or decorated in any way. The Finance Committee amendment proposed to increase the House rate of 17 per cent to 25 per cent.

On the fourth classification—glazed, enameled, ornamented, or decorated brick weighing more than 10 pounds each—the Finance Committee amendment contemplated a rate of 35 per cent, increasing the House rate, which was fixed at 20 per cent.

On magnesite brick, the fifth class, the House proposed a duty of three-fourths of 1 cent per pound and 10 per cent ad valorem. The Finance Committee proposed to reduce that to four-tenths of 1 cent per pound and 10 per cent ad valorem.

Mr. SMOOT. And now it is proposed to increase it to three-fourths of a cent.

Mr. ROBINSON. But on account of the action of the Senate a day or two ago in imposing a high rate of duty on crude magnesite it is proposed in the pending amendment to increase that rate to three-fourths of a cent a pound.

Mr. McCUMBER. To go back to the House rate.

Mr. ROBINSON. The next classification, No. 6, related to chrome brick, not glazed, enameled, painted, vitrified, ornamented, or decorated. The Finance Committee amendment proposed to increase the rate from 20 to 25 per cent ad valorem.

The seventh classification included chrome brick, glazed, enameled, painted, vitrified, ornamented, or decorated in any manner. The Finance Committee amendment proposed to increase the rate from 23 to 35 per cent ad valorem.

Bath brick constituted the eighth classification, and upon that the House imposed a rate of 23 per cent and the Senate committee proposed to increase it to 35 per cent.

The remaining classification was brick not specially provided for, which included common brick, 25 per cent ad valorem. It is now proposed by the pending amendment to make a uniform rate of 25 per cent ad valorem on all classes of fire brick except magnesite, upon which the pending amendment proposes to impose a duty of three-fourths of a cent a pound and 10 per cent ad valorem, which is the House rate.

It is apparent that there is a material reduction in the rates on many of the classes of brick embraced in paragraph 201. In my judgment, however, there is no justification for the imposition of a rate of 25 per cent ad valorem on bath brick, chrome brick, and fire brick not specially provided for.

Bath brick, the first mentioned in the amendment, is an abrasive, and is used for polishing and cleansing. The importations have never been great. They are negligible, even under existing rates. The present rate is 15 per cent, and there are substantially no importations, and I can not see any reason for increasing the rate on that class of brick.

The same is true of chrome brick and fire brick. Certainly at this time, when building and structural materials are scarce and when the prices charged for them are exorbitant, there is not justification in sound policy for imposing high rates of duty upon their importation.

The proposal of the committee to follow this amendment, to place common brick upon the free list subject to a proviso, of course, meets with my approval. I never understood why the committee wanted to tax common brick 75 per cent. There are now substantially no importations. Even along the Canadian border the importations are very slight, and I do not believe that an embargo can be justified, such as is proposed by the proviso in the second amendment which the Senator from North Dakota has stated he will offer if the first is agreed to.

The Canadian border line is in a sense an imaginary line. For almost the entire distance across the continent no natural barrier separates the United States from Canada. There are some instances, at least, where the interests of the American public along the border ought to permit them to have the opportunity of purchasing brick manufactured in Canada. Canada imposes a rate of 22½ per cent on American brick, and there is an additional charge of about 2½ per cent, which makes the Canadian rate on importations of American brick 25 per cent, and this paragraph placing common brick on the free list really means nothing, accomplishes nothing of interest to those who want to consume brick in the construction of houses in the United States, for the reason that common brick are not imported except in a few localities along the Canadian border, and if this tax is imposed those importations will be discontinued. The purpose of this proviso is to lay an embargo against the importation of all Canadian brick into the United States, and it will have that effect.

The only effect of it will be to work inconvenience to the people in the United States along the Canadian border who are nearer to Canadian manufacturing plants of brick than they are to American manufacturing plants. They will be compelled by reason of this tax of 25 per cent to buy their brick from American manufacturers, even though it may be much more inconvenient for them to secure delivery, and even though the transportation charges may be somewhat greater than they would be if the brick were purchased from the Canadian manufacturers.

No such condition exists along the border as to work a great hardship on anyone. I have here the record of the hearings before the Ways and Means Committee of the House, in which I find a letter from Mr. H. S. Wheeler, of Tacoma, Wash., who complained about the importation of Canadian brick; and there was a letter from a Member of the House of Representatives from the State of Idaho, who said that the two small brick plants in his district—and I believe he represents the entire State—are in danger of being driven out of business by the importation of large quantities of brick from Scotland and other remote points.

The Refractories Manufacturers' Association, of New York, filed a brief complaining that they were being injured very seriously by the importation of brick from Scotland and elsewhere in the form of ballast, and there is some testimony in the record to show that small numbers of brick have from time to time come to the Pacific coast as ballast in ships; but the point of the matter is that, taking all of these complaints together, under the existing rates importations of brick of any character are negligible anywhere. There is no danger that the brick manufacturing industry will suffer even if brick were placed on the free list.

The industry in the eastern part of the United States, as I attempted to show on a former occasion, is controlled by organizations which constitute the most oppressive monopoly known. The Lockwood committee went into the subject very fully, and they made a report which shows that the Association of Brick Manufacturers control absolutely the sales of brick, the use to which the same may be applied, to whom sales may be effected, and that they have literally fixed the prices at which sales may be made, and that the prices so fixed have been exorbitant beyond all reason.

I ask every Senator, Why should an industry dominated by such influences be shielded by an increase in tariff rates? There is no claim by anybody that the brick industry in the United States is an infant industry or that it is unprofitable. On the contrary, the price for the output is controlled absolutely in nearly every locality in the United States. In New York City there is not a man engaged in selling of brick, no matter how near he may be to the point of consumption, who will sell his product for any less than any other dealer in New York City. If he does he is boycotted in every imaginable way.

No man can buy brick in excess of a supply for a certain number of days, and when a purchase is made the purchaser must certify the purposes for which the brick are to be used, the job on which they are to be used, and if he uses them for any other purpose he can not buy another brick from any dealer in New York City.

No person or organization not a member of this association can buy material from any member of it. No member who is a manufacturer is permitted to sell any material to any dealer within the jurisdiction of the association unless such dealer is a member of the association. Not only was that true but the dealer who bought brick had to bind himself to purchase other building materials from members of the association, and if he failed to enter into that agreement he could not purchase brick. In other words, if he bought brick from a member of the association he must also buy cement from the same dealer, as well as lime and other products.

Mr. STANLEY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. STANLEY. As I understand this lamentable state of affairs is not only evidenced by the Lockwood report, but the question has been tried out in the courts of New York and they have been found guilty of this atrocious profiteering. On brick alone I understand they made over 150 per cent profit. In addition to that the junior Senator from New York [Mr. CALDER] had incorporated in the RECORD a memorial from the people of New York again reciting these facts and again asking the Senate for relief. They ask for bread and we have given them a stone or a brick.

Mr. ROBINSON. On the question just raised by the Senator from Kentucky I call attention to the Lockwood intermediate report, page 88, where it was established by the testimony of Mr. Marvyn Scudder, an expert accountant employed by the committee, that for the first six months of 1920 the cost of brick delivered at the job in New York City was $11.25 per thousand, for which the company received or realized $28.75 per thousand. I need not pause to make comment upon the fact that an industry which enjoys such very large profit does not need protection.

The business was controlled absolutely by a number of organizations. There were three different branches connected with the central body. The central body was called the Dealers in Mason's Building Materials in New York City. The three different branches connected with that body were the Hudson River Brick Manufacturers' Association, the Builders' Supply Bureau of Manhattan and Bronx, and the Masons' Supply Bureau of Queens and Brooklyn. The Hudson River Brick Manufacturers' Association conducted its operations largely through an organization known as the Greater New York Brick Co. The Hudson River Brick Manufacturers' Association was composed of all the large manufacturers of brick along the Hudson River. They supplied the metropolitan district.

The magnates of the industry from time to time held informal meetings at which the general conditions of the trade were discussed and the prices of brick were agreed upon. The actual fixing of prices, however, was effected largely through the activities of the Greater New York Brick Co. The manner in which those prices were fixed is testified to by Mr. William K. Hammond, one of the manufacturers who acted as his own selling agent. This is a quotation from Mr. Hammond's testimony:

> A customer who wants a load of brick will tell me what the others supply him with bricks at, and I will call up these parties, my competitors, and they will confirm it and say "Yes." The market price is quoted usually by the agent to his manufacturers daily, and on one day the manufacturer would ask why his brick is not sold, and usually says he wants an advance in brick and up goes brick pretty generally within a few days * * * the agents quoting uniform prices.

I read a paragraph now from the report:

> Uniformity of price and monopoly were assured by scrupulous enforcement by the manufacturer and the dealer of the rule that no dealer would buy from a manufacturer and no manufacturer would supply a dealer who was not a member of the parent organization.
>
> Frank L. Holmes, who was the sales agent for the Greater New York Brick Co., was asked, in this connection, the following question by Mr. Untermyer:
>
> "What I want to know from you is the name of anybody who is not a member of the association, who you know is not a member of the association, to whom you make sales of brick?—A. I can not tell you that."
>
> The Greater New York Brick Co. is a stock corporation organized by various brick manufacturers along the Hudson River. The stock was distributed to the members in proportion of the business done by them. The President, Mr. Fowler, testified that the company developed into a sort of an exchange or selling agency for the manufacturers of the State, and that the original purpose of the company was to make uniform prices.

Referring to the Association of Dealers in Masons' Building Material, the report says at page 91:

> The power of the association continued, however, to be exercised in the enforcement of its constitution and by-laws, under which most of the dealers in New York City were forced into its membership. Article 21 of the by-laws provided that no member who was a manufacturer should sell any material to any dealer within the jurisdiction of the association unless such dealer was a member of the association.

Omitting a part of the next paragraph, I read as follows:

> Inasmuch, as before stated, it was part of its unwritten law and apparently a law enforced by arrangement with the cement manufacturers that no person could buy brick from a dealer unless cement was purchased from the same dealer, it became impossible for an outside dealer to compete with a member of the association in the sale of building material. If a builder should defy this rule by buying his brick from an outside dealer he could get no cement.

I ask leave to insert in the RECORD at the end of my remarks, commencing with the paragraph entitled "Brick," on page 88, that portion of the report down to the paragraph relating to sand, gravel, and broken stone, on page 92.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON. I have quoted this report to show that in one great community—and the same condition exists in all the large industrial centers—this industry is absolutely dominated by organizations within it.

Already there exists a shortage of household facilities throughout the United States because in large part of the excessive cost of building material. The industry is controlled absolutely in all the great building centers, and there is a shortage of housing facilities throughout the Nation. There is not the slightest justification for enabling this combination further to advance its prices to practice extortion on the American people. The rule that ordinarily applies in bona fide protective tariff legislation has no application in this case. There is no infant industry, there is no industry seriously menaced by competition with foreign industries. The sole effect of these exorbitant rates on this necessary building material will be to perpetuate and fasten upon the country this monopoly.

In the Lockwood report which I have put into the record, but in a part that I did not read, the statement is made that the conditions prevailing in New York are quite general throughout the country, especially in the large industrial centers. Why is it desired to put a tariff, a prohibitive tariff, that makes impossible the importation in any quantity of this necessary building material for the benefit of a combination that has outraged, robbed, and plundered the American people beyond the power of the human mind to conceive? It ought to be on the free list. There is no justification for putting a tariff of 25 per cent on it.

APPENDIX.

(3) BRICK.

The testimony of Marvyn Scudder, an expert accountant employed by the committee in relation to the cost of production to the selling price of brick, indicates the inflated prices at which these archprofiteers of the industry compel the public to pay.

Basing his conclusions on an examination of the books of the Empire Brick & Supply Co., which is the largest manufacturer of brick in the State, by direction of the committee, it appears from Mr. Scudder's figures that for the first six months of 1920 the cost of brick delivered at the job in New York City was $11.25 per thousand, for which the company realized $28.75 per thousand.

A number of the brick manufacturers were also members of the Association of Dealers in Masons' Building Materials in New York City. The membership of this association included manufacturers, jobbers, and dealers. There were three different branches connected with this central body:

(1) The Hudson River Brick Manufacturers' Association.
(2) The Builders' Supply Bureau of Manhattan and Bronx.
(3) The Masons' Supply Bureau of Queens and Brooklyn.

(a) Hudson River Brick Manufacturers' Association: The operations of the Hudson River Brick Manufacturers' Association were conducted largely through an organization known as the Greater New York Brick Co.

The Hudson River Brick Manufacturers' Association was composed of all the large manufacturers of brick along the Hudson River. They supplied the metropolitan district. These magnates of the industry from time to time held informal meetings at the Palantine Hotel, at Newburgh, N. Y., at which the general conditions of the trade were discussed and the prices of brick were agreed upon. The actual fixing of the price was, however, effected largely through the activities of the Greater New York Brick Co.

The manner in which these prices were fixed is testified to by William K. Hammond, one of the manufacturers who acted as his own selling agent:

"A customer who wants a load of brick will tell me what the others supply him with bricks at, and I will call up these parties, my competitors, and they will confirm it and say, 'Yes.' The market price is quoted usually by the agent to his manufacturers daily, and on one day the manufacturer would ask why his brick is not sold and usually says he wants an advance in brick, and up goes brick pretty generally within a few days * * * the agents quoting uniform prices."

Uniformity of price and monopoly were assured by scrupulous enforcement by the manufacturer and the dealer of the rule that no dealer would buy from a manufacturer and no manufacturer would supply a dealer who was not a member of the parent organization.

Frank L. Holmes, who was the sales agent for the Greater New York Brick Co., was asked in this connection the following question by Mr. Untermyer:

"What I want to know from you is the name of anybody who is not a member of the association, who you know is not a member of the association, to whom you make sales of brick?—A. I can't tell you that."

The Greater New York Brick Co. is a stock corporation organized by various brick manufacturers along the Hudson River. The stock was distributed to the members in proportion to the business done by them. The President, Mr. Fowler, testified that the company developed into a sort of an exchange or selling agency for the manufacturers of the State and that the original purpose of the company was to make uniform prices.

(B) Builders' Supply Bureau.—The Builders' Supply Bureau (which is said to have been dissolved since the indictment and plea of guilty of its members, including the brick manufacturers, but as to the genuineness of whose dissolution the committee entertains grave doubt) was in a sense a subsidiary of the Association of Dealers in Masons' Building Materials. Its operations extended over that part of the metropolitan district comprising Manhattan and The Bronx. It was a counterpart of the Masons' Supply Bureau which operated in Brooklyn and Queens and which claims also to have suspended its operations following the indictment and plea of guilty of its members (but as to the genuineness of which suspension the committee has not yet been able to make full inquiry). The methods of the two bureaus were identical. Both were essentially price-fixing associations.

Both bureaus embraced in their membership all of the important dealers in masons' supplies in New York City. They functioned along the following lines:

Whenever a member made a quotation on any commodity, he was required to file on that day with the bureau a card variously described as a "quotation" or "option" card. The members were then notified by the bureau of the quotations thus made.

Emma C. Schmitt, the secretary of the Brooklyn bureau, testified that as to each transaction she prepared a slip of paper on which she wrote "So and so have this day let an option on a job" and forwarded it to the other members. She stated that "it was practically a part of the routine."

The quotations of the various members having been thus divulged to all other members, the standardization of the prices became a simpler matter. In order that it might appear on record that contracts were actually closed upon the basis of these fixed or standardized prices, the rules required that each member should file with the bureau what was known as a "contract card." This card disclosed the terms on which the transaction was consummated and showed the prices charged for the material.

The evidence conclusively establishes that this card system resulted in a rigid uniformity of price. The card system was supplemented by weekly meetings of the members of the bureau. At all such meetings, and indeed at all times, the cards, both "Quotation" and "Contract," were accessible to the members of the bureau and open to their inspection.

In order to maintain a more vigilant supervision over its members to guard against infringement of the rules with respect to the filing of cards and to limit production, the members were further required to make monthly reports to the bureau showing the stock on hand of each member on the first day of the month, together with a statement of shipments made during the previous month. The methods employed by this bureau followed in a way the so-called "Eddy" system, otherwise known as the "New Competition by Open Price Associations." It placed in the hands of the dealer the most effective machinery for stifling competition and fixing prices.

(C) Association of Dealers in Masons' Building Material.—This association was composed of 42 members, and included both manufacturers and dealers in its membership. It was organized in 1900. Its jurisdiction extended over the city of New York except as to certain outlying portions of the city. Up to the year 1919 the association sent out to its members who were dealers a monthly sheet showing the prices prevailing in the market for the commodities in which the members did business, but at about the time of the investigation by the mayor's housing committee, for which the counsel for your committee acted for a short time and exposed the methods of this bureau, the practice of sending out this price sheet was discontinued.

The power of the association continued, however, to be exercised in the enforcement of its constitution and by-laws, under which most of the dealers in New York City were forced into its membership. Article 21 of the by-laws provided that no member who was a manufacturer should sell any material to any dealer within the jurisdiction of the association unless such dealer was a member of the association.

As a result of the rigid enforcement of this provision, every dealer in and about the city of New York was compelled to become a member of the association or go out of business. Although the organization seems to have discontinued its practice of directly fixing the prices of materials, it continues to maintain its vast power for evil by keeping its members solidly in line as a monopoly in masons' building material.

Inasmuch, as before stated, it was part of its unwritten law, and apparently a law enforced by arrangement with the cement manufacturers, that no person could buy brick from a dealer unless cement was purchased from the same dealer, it became impossible for an outside dealer to compete with a member of the association in the sale of building material. If a builder should defy this rule by buying his brick from an outside dealer, he could get no cement.

(D) Masons' Supply Bureau of Brooklyn: This association, as before stated, was also a member of the Association of Dealers in Masons' Building Materials. It was organized in February, 1918, at which time it had 16 members. The bureau operated on a card system identical with that of the Masons' Supply Bureau of Manhattan. Members were required to file every day in the office of the bureau a card showing the estimates made by each member on each job. This card was called the "option card." Members were also required to file in the office of the bureau what was known as a "contract card," showing the amount at which the contract was closed. They were further required to file with the bureau a monthly report showing all shipments made during the preceding month, and the amount of stock on hand on the first day of the month in which the report was filed. The option cards were open to inspection of all members.

Mr. McCUMBER. Mr. President, there were produced in the United States in 1920, 4,709,000,000 building bricks. The importations are so small, and have been, that they are not even made a note of. The report of the Tariff Commission says:

> Imports of common brick are negligible, and are confined to shipments from Canadian plants to points in the United States near the international boundary.

That is all I need to read to give the situation with reference to brick. If I thought, or if the committee thought, for one moment that this countervailing duty against a brickkiln on the Canadian side that exported its brick a few miles into the United States, it may be 100,000 a year free, while a brickkiln on the United States side would have to pay 25 per cent ad valorem to get its brick into Canada, would have the slightest effect on earth upon this great combine or help them in any way, we would have said to the little brickmaker out in Idaho, "We can not help you out against the brickkiln on the other side of the line because it would help perpetuate a great combination, and it is far better that you be killed than to have the entire country held up." But, Mr. President, everyone knows that the proposed amendment will not have the

slightest effect on the price of brick in the United States. Everyone knows that the combination about which Senators have been talking was created under the present law when bricks came in absolutely free from all countries, whether or not any other country levied a duty against our brick.

The only question is whether we should have even bothered to protect a little brick-kiln manufacturer at some place along the border who, perhaps, does not manufacture $25,000 worth of brick in a year. We thought it fair to say to the Canadian on the opposite side, "So long as your country imposes a 25 per cent ad valorem duty for making brick out of the same clay that is found across the international border, you will have to pay a similar duty for bringing your brick into the United States." It will affect only the little brickmaker along the border line and will not affect any others at all.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. JONES of New Mexico. I have not studied the evidence regarding this particular item, but I have done so as to several other items which are produced along the Canadian border; and it is my impression that the American producers have been insisting upon a duty upon commodities from Canada, not because there is cheaper production in Canada, as a rule, but for the purpose of retaliation. Canada imposes a tariff on a number of United States products, and I have been strongly impressed with the idea that a great many of our producers are irritated because of that rather than that they are actuated by any fear that anybody can produce the commodity in Canada cheaper than it can be produced here.

I merely wonder if that is not the case regarding these brick; that some brick manufacturer has concluded that it is not fair for Canada to have a tariff against American brick and America not to have a tariff against Canadian brick. I became quite convinced that that was true regarding several other items; and I just wonder whether or not this is one of those retaliatory demands.

Mr. McCUMBER. I will say no; it is not retaliatory. I do not think that on one side or the other side of an imaginary line it is going to make any difference in the cost of producing brick.

Mr. JONES of New Mexico. It did not occur to me that it would.

Mr. McCUMBER. But the injustice is apparent when both are making their brick along the line and one can sell his brick on both sides of the line and the other can not. The proposed amendment will only affect the little territory contiguous to two brick kilns, one on each side of the line. It does not amount to anything substantial, although I am willing to admit that it will mean quite a lot to the man who is so situated that he is limited to selling his goods on one side of the line while his neighbor can sell it on both sides.

I want to say that we are putting on the free list brick from Canada or any other place in the world that imposes no duty against American brick. I do not know of anyone but the Canadian who can bring brick in in ballast under this change. The only question is whether it is worth our while to protect the few dozen brickmakers along the line.

Mr. JONES of New Mexico. I am inclined to believe that the Senator's statement rather indicates that my surmise is well founded and that the purpose of the amendment is largely for retaliation.

Mr. McCUMBER. No; it is designed to bring about equality, not retaliation.

Mr. JONES of New Mexico. Of course, the Senator may give it another name if he pleases.

Mr. McCUMBER. It has a different meaning altogether.

Mr. JONES of New Mexico. But it does not appear that there is any difference in the cost of production in Canada and in the United States, and it is a mere matter of transportation. So I just wondered if it will not be to the great injury of a number of American consumers to be compelled to transport their brick considerable distances from American brick producers when they have been getting their brick just across the border near home.

Mr. McCUMBER. It works the same on both sides, of course.

Mr. JONES of New Mexico. That is true; but it will undoubtedly inconvenience a number of people in the United States who have been getting their brick just across the border in Canada. I assume that it will not appear that there is one brick kiln on one side of the border and another brick kiln directly opposite on the other side, but it will probably be found that there is not a brick kiln on the United States side within a hundred miles of a brick kiln on the Canadian side along the border. The result will be that the transportation charge will be far more burdensome to the consumers of brick in many localities than will the slight amount of the duty.

Mr. ROBINSON. Mr. President, the serious feature of this subject is not in relation to the second amendment which the Senator from North Dakota proposes to offer if his first amendment carries, but it is the first amendment itself, imposing a duty of 25 per cent ad valorem on "bath brick, chrome brick, and fire brick, not specially provided for." In his brief filed with the committee the Representative from Idaho made this statement:

> There are two small plants producing fire brick located in my home county, Latah County, Idaho, and these plants are in competition with fire brick produced in Scotland, England, and elsewhere, where the wages and conditions are not at all adequate for the American laborer.

Of course, we all know the nature of this commodity. It is of such a nature that it is not possible for serious competition to occur between brick plants in Idaho and brick plants in England and Scotland. Idaho can not afford to manufacture brick to be sent to the Atlantic coast under any freight rate which is conceivable, and neither England nor Scotland can afford to manufacture brick and send them into the territory that Idaho could reach under any system that could be devised.

Mr. GOODING. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. GOODING. I think the Senator is mistaken in that regard, because I have a letter from those owning brick kilns in Idaho, in which they state that at this time fire brick shipped direct from Scotland is piled up on the wharves of Seattle and Tacoma. Those brick have come around through the Panama Canal, carried in the holds of vessels as ballast.

Mr. ROBINSON. Small quantities have come in as ballast, but only small quantities. No considerable quantity of it can possibly reach the territory that the Idaho brick plants may reach.

Mr. GOODING. The principal market for the fire brick is in the larger towns, of course, such as Seattle and Tacoma.

I call the Senator's attention that at Claiborne, in British Columbia, there is a brickkiln that ships its product to Seattle for a freight rate $3.15 less a thousand than is charged on brick coming from the kilns in Idaho. So the British Columbia plant absorbs the market, for $3.15 on 1,000 brick, as a freight charge alone, is a good profit for anyone to make. Furthermore, Canada has a tariff of 24½ per cent against Idaho brick, and we can not ship brick into British Columbia and sell our commodity there at all.

Mr. ROBINSON. Therefore you do not want British Columbia to come over into the United States and sell her brick?

Mr. GOODING. We are willing to go 50–50 with them. Is not that fair?

Mr. ROBINSON. That is the proposition; because Canada has levied a tariff on importations of American brick we are to retaliate and levy a tariff on importations into the United States of Canadian brick.

Mr. GOODING. Canada has cheaper labor than we have in the western part of the United States; they have Chinese labor.

Mr. ROBINSON. How far is it from the brick plants in Idaho to the Canadian border?

Mr. GOODING. I think it is possibly 300 miles, or something like that.

Mr. ROBINSON. How far is it from the brick plants in Idaho to Seattle?

Mr. GOODING. I think in the neighborhood of 300 miles.

Mr. ROBINSON. To Seattle, Wash.?

Mr. GOODING. To Seattle, Wash.—300 or 400 miles—I am not quite sure of the distance, but I think it is about 300 miles.

Mr. ROBINSON. I am not prepared to controvert the Senator's figures with reference to the distance to the Canadian border, but I think the Senator will find it nearer 1,000 miles than 300 miles from Idaho to Seattle. However, that is not of controlling significance. From the conditions that surround the industry there is not the slightest possibility that material importations will occur, and the effect of the pending amendment imposing a rate of 25 per cent ad valorem will be to encourage further combination in the industry and to increase prices or to maintain prices which are already excessive.

I do not understand that there would be any serious danger of importations of brick into the United States which would be hurtful to the general interests of the country or to the brick industry even if brick were placed upon the free list, and I think it is a bad precedent and an unnecessary one to impose this high rate of duty on so necessary an article of common use.

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah.

Mr. ROBINSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STANLEY. Mr. President, I wish to be heard on the question before it is voted on. I suggest that if it is desired to have an executive session, it had better be had now, because I wish to discuss this schedule at some length, and I prefer not to proceed to-night. I can start to-night and talk for an hour and a half or two hours and then resume to-morrow, but it will add to the convenience of the Senate, as well as my own convenience, if I can surrender the floor at this time in order that the Senate may have an executive session and take up this schedule and discuss it briefly in the morning at 11 o'clock. I regard this schedule as important, and I much prefer to discuss it to-morrow than to discuss it to-night.

Mr. HARRISON. Mr. President, a parliamentary inquiry. Has unanimous consent been given to recess until 11 o'clock to-morrow?

The VICE PRESIDENT. Unanimous consent to that effect has been given.

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Harris	McNary	Smoot
Brandegee	Harrison	New	Spencer
Bursum	Heflin	Newberry	Stanley
Calder	Jones, N. Mex.	Oddie	Sutherland
Capper	Jones, Wash.	Pepper	Swanson
Curtis	Keyes	Poindexter	Townsend
Dial	King	Rawson	Wadsworth
Edge	La Follette	Robinson	Warren
France	Lenroot	Sheppard	Watson, Ind.
Frelinghuysen	Lodge	Shortridge	Willis
Gooding	McCumber	Simmons	
Hale	McKinley	Smith	

The VICE PRESIDENT. Forty-six Senators have answered to their names. A quorum is not present. The Secretary will call the names of the absentees.

The Assistant Secretary called the names of the absent Senators.

The VICE PRESIDENT. Forty-six Senators have answered to their names. A quorum is not present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of absent Senators.

The motion was agreed to.

Mr. HARRISON. A division, Mr. President.

Mr. SIMMONS. What was the motion?

Mr. McCUMBER. To bring in the absentees.

Mr. ROBINSON. I inquire of the Senator from North Dakota if he does not think we had better take a recess now?

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. ROBINSON. We have agreed by unanimous consent that when the Senate ceases its labors to-day it shall take a recess until 11 o'clock to-morrow, so that there is an order to take a recess.

Mr. SIMMONS. Mr. President, I want to say to the Senator from North Dakota that we have been operating here for some time under an understanding that we were to take a recess at 10 o'clock, and in many instances Senators have made their arrangements to go home at that hour. If the Senator wants to stay here until 12 o'clock, I think he ought to give us some little notice of it in advance, so that we will be prepared.

Mr. McCUMBER. I thought after we had discussed the brick matter for two days and finally I brought in a report to put brick on the free list, at least I would have the privilege of fixing it the way you wanted it, and put it upon the free list. I did not anticipate for a single moment that there would be any objection to that part of it.

Mr. SWANSON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. SWANSON. No quorum is present, and no discussion is in order.

The VICE PRESIDENT. The point of order is well taken.

Mr. ROBINSON. Mr. President, I move that the Senate take a recess.

Mr. McCUMBER. I raise the point of order that there is no quorum present.

Mr. ROBINSON. I move that the Senate adjourn.

Mr. McCUMBER. I raise the point of order that there is a unanimous-consent agreement that when we close our session to-day we shall recess until 11 o'clock to-morrow.

Mr. ROBINSON. Mr. President, the Senator can not make a point of order that a recess is not in order and that a motion to adjourn is not in order. A motion to adjourn is always in order. The effect of agreeing to the motion to adjourn will be to suspend the proceedings of the Senate until 11 o'clock to-morrow. Unquestionably the Senate has a right either to adjourn or to take a recess. I do not think any parliamentarian will question that fact. If the Senator wants to filibuster in that way himself, he can be given an example of the effect of such a proceeding.

Mr. McCUMBER. I believe a point of order has been made against debate at this time.

Mr. ROBINSON. Mr. President, I move that the Senate do now adjourn.

Mr. CURTIS. Will the Senator withhold that motion? I hope the Senator from North Dakota will ask that the Senate take a recess until 11 o'clock to-morrow. We can not get a quorum here to-night.

Mr. ROBINSON. I withhold my motion to adjourn, but I will state that there will be no more agreements to recess unless the Senator from North Dakota sees fit to take a recess now or to adjourn.

Mr. McCUMBER. Mr. President, if the Senator had asked me in a real nice way to do that, I would have done it; but if the Senator——

Mr. ROBINSON. No; I will not ask the Senator, and the Senator can take his own course.

Mr. McCUMBER. If the Senator puts it in the form of a threat, I will answer him right back that I shall not make any request of that kind.

Mr. ROBINSON. Very well, Mr. President; I move that the Senate adjourn.

Mr. McCUMBER. I do not care what the Senator says; he is not going to drive me into any kind of a proposition of yielding or anything else. Does the Senator understand that?

Mr. ROBINSON. I respectfully request that the Senator from North Dakota be in order.

Mr. SWANSON. Mr. President, I rise to a point of order.

Mr. ROBINSON. There is not the slightest occasion for excitement on the part of anyone.

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBINSON. I repeat, there is not the slightest occasion for excitement on the part of anyone. I move that the Senate do now adjourn.

Mr. TOWNSEND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ROBINSON. Mr. President, I move that the Senate do now adjourn. There is not the slightest occasion for excitement.

Mr. McCUMBER. And I hope that that motion will be opposed.

Mr. SWANSON. I ask for the yeas and nays on the motion to adjourn.

Mr. SPENCER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. SPENCER. The Senate has, by unanimous consent, agreed that when its proceedings to-day are ended it shall recess until 11 o'clock to-morrow. A motion to adjourn is not in order.

The VICE PRESIDENT. The point of order is well taken.

Mr. LENROOT. Mr. President——

Mr. SWANSON. Did the Chair sustain the point of order that a motion to adjourn is out of order?

The VICE PRESIDENT. It is not in order. There is a unanimous-consent agreement for a recess.

Mr. SWANSON. I rise to a point of order. No quorum has been disclosed, and under the Constitution, as I understand, no motion is now in order except a motion to adjourn, which has been made; and I ask for the yeas and nays on the motion to adjourn.

The VICE PRESIDENT. The Senate has unanimously agreed that it will take a recess. Against that unanimous-consent agreement the Chair can not entertain a motion to adjourn.

Mr. LENROOT. Mr. President, will the Chair hear me for a moment? May I suggest to the Vice President that the precedents are otherwise; that notwithstanding a unanimous-consent agreement for a recess has been entered into, a motion to adjourn nevertheless is in order. If I can have a moment, I will get the precedents for the Chair.

RECESS.

Mr. CURTIS. I ask the Senator from Arkansas to withdraw his motion, that I may ask unanimous consent that the Senate now stand in recess until 11 o'clock to-morrow.

Mr. ROBINSON. With that understanding I will withdraw the motion.

Mr. McCUMBER. With that gentle request I will consent to it, but not through a threat.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate (at 10 o'clock and 45 minutes p. m.) took a recess until to-morrow, Friday, June 2, 1922, at 11 o'clock a. m.